

Introduced by Senator RothFebruary 22, 2013

An act to amend Sections 10153.2, 11003, 11003.2, 11004.5, 23426.5, and 23428.20 of the Business and Professions Code, to amend Sections 714, 714.1, 782, 782.5, 783, 783.1, 1098, 1133, 1633.3, 2924b, 2955.1, and 4202 of, and to add Part 5.3 (commencing with Section 6500) to Division 4 of, the Civil Code, to amend Sections 86 and 116.540 of the Code of Civil Procedure, to amend Sections 12191, 12956.1, 12956.2, 53341.5, 65008, 66411, 66412, 66424, 66427, 66452.10, and 66475.2 of the Government Code, to amend Sections 13132.7, 19850, 25400.22, 25915.2, 33050, 33435, 33436, 35811, 37630, 50955, 51602, and 116048 of the Health and Safety Code, to amend Section 790.031 of the Insurance Code, to amend Section 2188.6 of the Revenue and Taxation Code, to amend Sections 21107.7, 22651, 22651.05, and 22658 of the Vehicle Code, and to amend Section 13553 of the Water Code, relating to common interest developments.

LEGISLATIVE COUNSEL'S DIGEST

SB 752, as introduced, Roth. Commercial and industrial common interest developments.

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments, as defined, but exempts common interest developments that are limited to industrial or commercial uses from specified provisions of the act.

This bill would establish the Commercial and Industrial Common Interest Development Act, which would provide for the creation and regulation of commercial and industrial common interest developments. The bill would make various conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10153.2 of the Business and Professions
2 Code, as amended by Section 2 of Chapter 181 of the Statutes of
3 2012, is amended to read:
4 10153.2. (a) An applicant to take the examination for an
5 original real estate broker license shall also submit evidence,
6 satisfactory to the commissioner, of successful completion, at an
7 accredited institution, of:
8 (1) A three-semester unit course, or the quarter equivalent
9 thereof, in each of the following:
10 (A) Real estate practice.
11 (B) Legal aspects of real estate.
12 (C) Real estate appraisal.
13 (D) Real estate financing.
14 (E) Real estate economics or accounting.
15 (2) A three-semester unit course, or the quarter equivalent
16 thereof, in three of the following:
17 (A) Advanced legal aspects of real estate.
18 (B) Advanced real estate finance.
19 (C) Advanced real estate appraisal.
20 (D) Business law.
21 (E) Escrows.
22 (F) Real estate principles.
23 (G) Property management.
24 (H) Real estate office administration.
25 (I) Mortgage loan brokering and lending.
26 (J) Computer applications in real estate.
27 (K) On and after July 1, 2004, California law that relates to
28 common interest developments, including, but not limited to, topics
29 addressed in the Davis-Stirling Common Interest Development
30 Act (Part 5 (commencing with Section 4000) of Division 4 of the
31 Civil Code) *and in the Commercial and Industrial Common Interest*
32 *Development Act (Part 5.3 (commencing with Section 6500) of*
33 *Division 4 of the Civil Code).*
34 (b) The commissioner shall waive the requirements of this
35 section for an applicant who is a member of the State Bar of

1 California and shall waive the requirements for which an applicant
2 has successfully completed an equivalent course of study as
3 determined under Section 10153.5.

4 (c) The commissioner shall extend credit under this section for
5 any course completed to satisfy requirements of Section 10153.3
6 or 10153.4.

7 SEC. 2. Section 11003 of the Business and Professions Code,
8 as amended by Section 4 of Chapter 181 of the Statutes of 2012,
9 is amended to read:

10 11003. “Planned development” has the same meaning as
11 specified in Section 4175 *or* 6562 of the Civil Code.

12 SEC. 3. Section 11003.2 of the Business and Professions Code,
13 as amended by Section 5 of Chapter 181 of the Statutes of 2012,
14 is amended to read:

15 11003.2. “Stock cooperative” has the same meaning as
16 specified in Section 4190 *or* 6566 of the Civil Code, except that,
17 as used in this chapter, a “stock cooperative” does not include a
18 limited-equity housing cooperative.

19 SEC. 4. Section 11004.5 of the Business and Professions Code,
20 as amended by Section 7 of Chapter 181 of the Statutes of 2012,
21 is amended to read:

22 11004.5. In addition to ~~any~~ *the* provisions of Section 11000,
23 the reference in this code to “subdivided lands” and “subdivision”
24 shall include all of the following:

25 (a) Any planned development, as defined in Section 11003,
26 containing five or more lots.

27 (b) Any community apartment project, as defined by Section
28 11004, containing five or more apartments.

29 (c) Any condominium project containing five or more
30 condominiums, as defined in Section 783 of the Civil Code.

31 (d) Any stock cooperative as defined in Section 11003.2,
32 including any legal or beneficial interests therein, having or
33 intended to have five or more shareholders.

34 (e) Any limited-equity housing cooperative, as defined in
35 Section 11003.4.

36 (f) In addition, the following interests shall be subject to this
37 chapter and the regulations of the commissioner adopted pursuant
38 thereto:

39 (1) Any accompanying memberships or other rights or privileges
40 created in, or in connection with, any of the forms of development

1 referred to in subdivision (a), (b), (c), (d), or (e) by any deeds,
2 conveyances, leases, subleases, assignments, declarations of
3 restrictions, articles of incorporation, bylaws, or contracts
4 applicable thereto.

5 (2) Any interests or memberships in any owners' association
6 as defined in Section 4080 *or* 6528 of the Civil Code, created in
7 connection with any of the forms of the development referred to
8 in subdivision (a), (b), (c), (d), or (e).

9 (g) Notwithstanding this section, time-share plans, exchange
10 programs, incidental benefits, and short-term product subject to
11 Chapter 2 (commencing with Section 11210) are not "subdivisions"
12 or "subdivided lands" subject to this chapter.

13 SEC. 5. Section 23426.5 of the Business and Professions Code,
14 as amended by Section 17 of Chapter 181 of the Statutes of 2012,
15 is amended to read:

16 23426.5. (a) For purposes of this article, "club" also means
17 any tennis club that maintains not less than four regulation tennis
18 courts, together with the necessary facilities and clubhouse, has
19 members paying regular monthly dues, has been in existence for
20 not less than 45 years, and is not associated with a common interest
21 development as defined in Section 4100 *or* 6534 of the Civil Code,
22 a community apartment project as defined in Section 11004 of this
23 code, a project consisting of condominiums as defined in Section
24 783 of the Civil Code, or a mobilehome park as defined in Section
25 18214 of the Health and Safety Code.

26 (b) It shall be unlawful for any club licensed pursuant to this
27 section to make any discrimination, distinction, or restriction
28 against any person on account of age or any characteristic listed
29 or defined in subdivision (b) or (e) of Section 51 of the Civil Code.

30 SEC. 6. Section 23428.20 of the Business and Professions
31 Code, as amended by Section 18 of Chapter 181 of the Statutes of
32 2012, is amended to read:

33 23428.20. (a) For the purposes of this article, "club" also
34 means any bona fide nonprofit corporation that has been in
35 existence for not less than nine years, has more than 8,500
36 memberships issued and outstanding to owners of condominiums
37 and owners of memberships in stock cooperatives, and owns,
38 leases, operates, or maintains recreational facilities for its members.

39 (b) For the purposes of this article, "club" also means any bona
40 fide nonprofit corporation that was formed as a condominium

homeowners' association, has at least 250 members, has served daily meals to its members and guests for a period of not less than 12 years, owns or leases, operates, and maintains a clubroom or rooms for its membership, has an annual fee of not less than nine hundred dollars (\$900) per year per member, and has as a condition of membership that one member of each household be at least 54 years old.

(c) Section 23399 and the numerical limitation of Section 23430 shall not apply to a club defined in this section.

(d) No license shall be issued pursuant to this section to any club that withholds membership or denies facilities or services to any person on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

(e) Notwithstanding subdivision (d), with respect to familial status, subdivision (d) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (d) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section ~~51 and 51~~, Section 4760, *and Section 6714* of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (d).

SEC. 7. Section 714 of the Civil Code, as amended by Section 20 of Chapter 181 of the Statutes of 2012, is amended to read:

714. (a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of, or any interest in, real property, and any provision of a governing document, as defined in Section 4150 *or 6552*, that effectively prohibits or restricts the installation or use of a solar energy system is void and unenforceable.

(b) This section does not apply to provisions that impose reasonable restrictions on solar energy systems. However, it is the policy of the state to promote and encourage the use of solar energy systems and to remove obstacles thereto. Accordingly, reasonable restrictions on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for

1 an alternative system of comparable cost, efficiency, and energy
2 conservation benefits.

3 (c) (1) A solar energy system shall meet applicable health and
4 safety standards and requirements imposed by state and local
5 permitting authorities.

6 (2) A solar energy system for heating water shall be certified
7 by the Solar Rating Certification Corporation (SRCC) or other
8 nationally recognized certification agencies. SRCC is a nonprofit
9 third party supported by the United States Department of Energy.
10 The certification shall be for the entire solar energy system and
11 installation.

12 (3) A solar energy system for producing electricity shall also
13 meet all applicable safety and performance standards established
14 by the National Electrical Code, the Institute of Electrical and
15 Electronics Engineers, and accredited testing laboratories such as
16 Underwriters Laboratories and, where applicable, rules of the
17 Public Utilities Commission regarding safety and reliability.

18 (d) For the purposes of this section:

19 (1) (A) For solar domestic water heating systems or solar
20 swimming pool heating systems that comply with state and federal
21 law, “significantly” means an amount exceeding 20 percent of the
22 cost of the system or decreasing the efficiency of the solar energy
23 system by an amount exceeding 20 percent, as originally specified
24 and proposed.

25 (B) For photovoltaic systems that comply with state and federal
26 law, “significantly” means an amount not to exceed two thousand
27 dollars (\$2,000) over the system cost as originally specified and
28 proposed, or a decrease in system efficiency of an amount
29 exceeding 20 percent as originally specified and proposed.

30 (2) “Solar energy system” has the same meaning as defined in
31 paragraphs (1) and (2) of subdivision (a) of Section 801.5.

32 (e) (1) Whenever approval is required for the installation or
33 use of a solar energy system, the application for approval shall be
34 processed and approved by the appropriate approving entity in the
35 same manner as an application for approval of an architectural
36 modification to the property, and shall not be willfully avoided or
37 delayed.

38 (2) For an approving entity that is a ~~homeowners’~~ *an* association,
39 as defined in Section 4080 *or* 6528, and that is not a public entity,
40 both of the following shall apply:

1 (A) The approval or denial of an application shall be in writing.

2 (B) If an application is not denied in writing within 60 days
3 from the date of receipt of the application, the application shall be
4 deemed approved, unless that delay is the result of a reasonable
5 request for additional information.

6 (f) Any entity, other than a public entity, that willfully violates
7 this section shall be liable to the applicant or other party for actual
8 damages occasioned thereby, and shall pay a civil penalty to the
9 applicant or other party in an amount not to exceed one thousand
10 dollars (\$1,000).

11 (g) In any action to enforce compliance with this section, the
12 prevailing party shall be awarded reasonable attorney's fees.

13 (h) (1) A public entity that fails to comply with this section
14 may not receive funds from a state-sponsored grant or loan program
15 for solar energy. A public entity shall certify its compliance with
16 the requirements of this section when applying for funds from a
17 state-sponsored grant or loan program.

18 (2) A local public entity may not exempt residents in its
19 jurisdiction from the requirements of this section.

20 SEC. 8. Section 714.1 of the Civil Code, as amended by Section
21 21 of Chapter 181 of the Statutes of 2012, is amended to read:

22 714.1. Notwithstanding Section 714, any association, as defined
23 in Section 4080 *or* 6528, may impose reasonable provisions which:

24 (a) Restrict the installation of solar energy systems installed in
25 common areas, as defined in Section 4095 *or* 6532, to those
26 systems approved by the association.

27 (b) Require the owner of a separate interest, as defined in Section
28 4185 *or* 6564, to obtain the approval of the association for the
29 installation of a solar energy system in a separate interest owned
30 by another.

31 (c) Provide for the maintenance, repair, or replacement of roofs
32 or other building components.

33 (d) Require installers of solar energy systems to indemnify or
34 reimburse the association or its members for loss or damage caused
35 by the installation, maintenance, or use of the solar energy system.

36 SEC. 9. Section 782 of the Civil Code, as amended by Section
37 22 of Chapter 181 of the Statutes of 2012, is amended to read:

38 782. (a) Any provision in any deed of real property in
39 California, whether executed before or after the effective date of
40 this section, that purports to restrict the right of any persons to sell,

1 lease, rent, use, or occupy the property to persons having any
2 characteristic listed in subdivision (a) or (d) of Section 12955 of
3 the Government Code, as those bases are defined in Sections
4 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision
5 (p) of Section 12955 and Section 12955.2 of the Government Code,
6 by providing for payment of a penalty, forfeiture, reverter, or
7 otherwise, is void.

8 (b) Notwithstanding subdivision (a), with respect to familial
9 status, subdivision (a) shall not be construed to apply to housing
10 for older persons, as defined in Section 12955.9 of the Government
11 Code. With respect to familial status, nothing in subdivision (a)
12 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
13 and 799.5, relating to housing for senior citizens. Subdivision (d)
14 of Section 51~~and~~, Section 4760~~of this code~~, and Section 6714,
15 and subdivisions (n), (o), and (p) of Section 12955 of the
16 Government Code shall apply to subdivision (a).

17 SEC. 10. Section 782.5 of the Civil Code, as amended by
18 Section 23 of Chapter 181 of the Statutes of 2012, is amended to
19 read:

20 782.5. (a) Any deed or other written instrument that relates to
21 title to real property, or any written covenant, condition, or
22 restriction annexed or made a part of, by reference or otherwise,
23 any deed or instrument that relates to title to real property, which
24 contains any provision that purports to forbid, restrict, or condition
25 the right of any person or persons to sell, buy, lease, rent, use, or
26 occupy the property on account of any basis listed in subdivision
27 (a) or (d) of Section 12955 of the Government Code, as those bases
28 are defined in Sections 12926, 12926.1, subdivision (m) and
29 paragraph (1) of subdivision (p) of Section 12955, and Section
30 12955.2 of the Government Code, with respect to any person or
31 persons, shall be deemed to be revised to omit that provision.

32 (b) Notwithstanding subdivision (a), with respect to familial
33 status, subdivision (a) shall not be construed to apply to housing
34 for older persons, as defined in Section 12955.9 of the Government
35 Code. With respect to familial status, nothing in subdivision (a)
36 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
37 and 799.5, relating to housing for senior citizens. Subdivision (d)
38 of Section 51~~and~~ 51, Section 4760~~of this code~~, and Section 6714,
39 and subdivisions (n), (o), and (p) of Section 12955 of the
40 Government Code shall apply to subdivision (a).

1 (c) This section shall not be construed to limit or expand the
2 powers of a court to reform a deed or other written instrument.

3 SEC. 11. Section 783 of the Civil Code, as amended by Section
4 24 of Chapter 181 of the Statutes of 2012, is amended to read:

5 783. A condominium is an estate in real property described in
6 Section 4125 *or* 6542. A condominium may, with respect to the
7 duration of its enjoyment, be either (1) an estate of inheritance or
8 perpetual estate, (2) an estate for life, (3) an estate for years, such
9 as a leasehold or a subleasehold, or (4) any combination of the
10 foregoing.

11 SEC. 12. Section 783.1 of the Civil Code, as amended by
12 Section 25 of Chapter 181 of the Statutes of 2012, is amended to
13 read:

14 783.1. In a stock cooperative, as defined in Section 4190 *or*
15 6566, both the separate interest, as defined in paragraph (4) of
16 subdivision (a) of Section 4185 *or in paragraph (3) of subdivision*
17 *(a) of Section 6564*, and the correlative interest in the stock
18 cooperative corporation, however designated, are interests in real
19 property.

20 SEC. 13. Section 1098 of the Civil Code, as amended by
21 Section 32 of Chapter 181 of the Statutes of 2012, is amended to
22 read:

23 1098. A “transfer fee” is any fee payment requirement imposed
24 within a covenant, restriction, or condition contained in any deed,
25 contract, security instrument, or other document affecting the
26 transfer or sale of, or any interest in, real property that requires a
27 fee be paid upon transfer of the real property. A transfer fee does
28 not include any of the following:

- 29 (a) Fees or taxes imposed by a governmental entity.
- 30 (b) Fees pursuant to mechanics’ liens.
- 31 (c) Fees pursuant to court-ordered transfers, payments, or
32 judgments.
- 33 (d) Fees pursuant to property agreements in connection with a
34 legal separation or dissolution of marriage.
- 35 (e) Fees, charges, or payments in connection with the
36 administration of estates or trusts pursuant to Division 7
37 (commencing with Section 7000), Division 8 (commencing with
38 Section 13000), or Division 9 (commencing with Section 15000)
39 of the Probate Code.

1 (f) Fees, charges, or payments imposed by lenders or purchasers
2 of loans, as these entities are described in subdivision (c) of Section
3 10232 of the Business and Professions Code.

4 (g) Assessments, charges, penalties, or fees authorized by the
5 Davis-Stirling Common Interest Development Act (Part 5
6 commencing with Section 4000) of Division 4) *or by the*
7 *Commercial and Industrial Common Interest Development Act*
8 *(Part 5.3 (commencing with Section 6500) of Division 4).*

9 (h) Fees, charges, or payments for failing to comply with, or
10 for transferring the real property prior to satisfying, an obligation
11 to construct residential improvements on the real property.

12 (i) Any fee reflected in a document recorded against the property
13 on or before December 31, 2007, that is separate from any
14 covenants, conditions, and restrictions, and that substantially
15 complies with subdivision (a) of Section 1098.5 by providing a
16 prospective transferee notice of the following:

- 17 (1) Payment of a transfer fee is required.
- 18 (2) The amount or method of calculation of the fee.
- 19 (3) The date or circumstances under which the transfer fee
20 payment requirement expires, if any.
- 21 (4) The entity to which the fee will be paid.
- 22 (5) The general purposes for which the fee will be used.

23 SEC. 14. Section 1133 of the Civil Code, as amended by
24 Section 35 of Chapter 181 of the Statutes of 2012, is amended to
25 read:

26 1133. (a) If a lot, parcel, or unit of a subdivision is subject to
27 a blanket encumbrance, as defined in Section 11013 of the Business
28 and Professions Code, but is exempt from a requirement of
29 compliance with Section 11013.2 of the Business and Professions
30 Code, the subdivider, his or her agent, or representative, shall not
31 sell, or lease for a term exceeding five years, the lot, parcel, or
32 unit, nor cause it to be sold, or leased for a term exceeding five
33 years, until the prospective purchaser or lessee of the lot, parcel,
34 or unit has been furnished with and has signed a true copy of the
35 following notice:

36
37 BUYER/LESSEE IS AWARE OF THE FACT THAT THE
38 LOT, PARCEL, OR UNIT WHICH HE OR SHE IS PROPOSING
39 TO PURCHASE OR LEASE IS SUBJECT TO A DEED OF

1 TRUST, MORTGAGE, OR OTHER LIEN KNOWN AS A
2 “BLANKET ENCUMBRANCE.”

3 IF BUYER/LESSEE PURCHASES OR LEASES THIS LOT,
4 PARCEL, OR UNIT, HE OR SHE COULD LOSE THAT
5 INTEREST THROUGH FORECLOSURE OF THE BLANKET
6 ENCUMBRANCE OR OTHER LEGAL PROCESS EVEN
7 THOUGH BUYER/LESSEE IS NOT DELINQUENT IN HIS OR
8 HER PAYMENTS OR OTHER OBLIGATIONS UNDER THE
9 MORTGAGE, DEED OF TRUST, OR LEASE.

10 _____
11 Date Signature of
12 Buyer or Lessee
13

14 (b) “Subdivision,” as used in subdivision (a), means improved
15 or unimproved land that is divided or proposed to be divided for
16 the purpose of sale, lease, or financing, whether immediate or
17 future, into two or more lots, parcels, or units and includes a
18 condominium project, as defined in Section 4125 *or* 6542, a
19 community apartment project, as defined in Section 4105, a stock
20 cooperative, as defined in Section 4190 *or* 6566, and a limited
21 equity housing cooperative, as defined in Section 4190.

22 (c) The failure of the buyer or lessee to sign the notice shall not
23 invalidate any grant, conveyance, lease, or encumbrance.

24 (d) Any person or entity who willfully violates the provisions
25 of this section shall be liable to the purchaser of a lot or unit which
26 is subject to the provisions of this section for actual damages, and,
27 in addition thereto, shall be guilty of a public offense punishable
28 by a fine in an amount not to exceed five hundred dollars (\$500).
29 In an action to enforce the liability or fine, the prevailing party
30 shall be awarded reasonable attorney’s fees.

31 SEC. 15. Section 1633.3 of the Civil Code, as amended by
32 Section 36 of Chapter 181 of the Statutes of 2012, is amended to
33 read:

34 1633.3. (a) Except as otherwise provided in subdivisions (b)
35 and (c), this title applies to electronic records and electronic
36 signatures relating to a transaction.

37 (b) This title does not apply to transactions subject to the
38 following laws:

39 (1) A law governing the creation and execution of wills, codicils,
40 or testamentary trusts.

(2) Division 1 (commencing with Section 1101) of the Uniform Commercial Code, except Sections 1107 and 1206.

(3) Divisions 3 (commencing with Section 3101), 4 (commencing with Section 4101), 5 (commencing with Section 5101), 8 (commencing with Section 8101), 9 (commencing with Section 9101), and 11 (commencing with Section 11101) of the Uniform Commercial Code.

(4) A law that requires that specifically identifiable text or disclosures in a record or a portion of a record be separately signed, including initialed, from the record. However, this paragraph does not apply to Section 1677 or 1678 of this code or Section 1298 of the Code of Civil Procedure.

(c) This title does not apply to any specific transaction described in Section 17511.5 of the Business and Professions Code, Section 56.11, 56.17, 798.14, 1133, or 1134 of, Section 1689.6, 1689.7, or 1689.13 of, Chapter 2.5 (commencing with Section 1695) of Title 5 of Part 2 of Division 3 of, Section 1720, 1785.15, 1789.14, 1789.16, 1789.33, or 1793.23 of, Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of, Section 1861.24, 1862.5, 1917.712, 1917.713, 1950.5, 1950.6, 1983, 2924b, 2924c, 2924f, 2924i, 2924j, 2924.3, or 2937 of, Article 1.5 (commencing with Section 2945) of Chapter 2 of Title 14 of Part 4 of Division 3 of, Section 2954.5 or 2963 of, Chapter 2b (commencing with Section 2981) or 2d (commencing with Section 2985.7) of Title 14 of Part 4 of Division 3 of, Section 3071.5 of, ~~or~~ Part 5 (commencing with Section 4000) of Division 4 of, *or Part 5.3 (commencing with Section 6500) of Division 4 of*, the Civil Code, subdivision (b) of Section 18608 or Section 22328 of the Financial Code, Section 1358.15, 1365, 1368.01, 1368.1, 1371, or 18035.5 of the Health and Safety Code, Section 662, 663, 664, 667.5, 673, 677, 678, 678.1, 786, 10086, 10113.7, 10127.7, 10127.9, 10127.10, 10197, 10199.44, 10199.46, 10235.16, 10235.40, 10509.4, 10509.7, 11624.09, or 11624.1 of the Insurance Code, Section 779.1, 10010.1, or 16482 of the Public Utilities Code, or Section 9975 or 11738 of the Vehicle Code. An electronic record may not be substituted for any notice that is required to be sent pursuant to Section 1162 of the Code of Civil Procedure. Nothing in this subdivision shall be construed to prohibit the recordation of any document with a county recorder by electronic means.

(d) This title applies to an electronic record or electronic signature otherwise excluded from the application of this title under subdivision (b) when used for a transaction subject to a law other than those specified in subdivision (b).

(e) A transaction subject to this title is also subject to other applicable substantive law.

(f) The exclusion of a transaction from the application of this title under subdivision (b) or (c) shall be construed only to exclude the transaction from the application of this title, but shall not be construed to prohibit the transaction from being conducted by electronic means if the transaction may be conducted by electronic means under any other applicable law.

SEC. 16. Section 2924b of the Civil Code is amended to read:

2924b. (a) Any person desiring a copy of any notice of default and of any notice of sale under any deed of trust or mortgage with power of sale upon real property or an estate for years therein, as to which deed of trust or mortgage the power of sale cannot be exercised until these notices are given for the time and in the manner provided in Section 2924 may, at any time subsequent to recordation of the deed of trust or mortgage and prior to recordation of notice of default thereunder, cause to be filed for record in the office of the recorder of any county in which any part or parcel of the real property is situated, a duly acknowledged request for a copy of the notice of default and of sale. This request shall be signed and acknowledged by the person making the request, specifying the name and address of the person to whom the notice is to be mailed, shall identify the deed of trust or mortgage by stating the names of the parties thereto, the date of recordation thereof, and the book and page where the deed of trust or mortgage is recorded or the recorder's number, and shall be in substantially the following form:

“In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust (or mortgage) recorded _____, _____, in Book _____ page _____ records of _____ County, (or filed for record with recorder's serial number _____, _____ County) California, executed by _____ as trustor (or mortgagor) in which _____ is named as beneficiary (or mortgagee) and _____ as trustee be mailed to _____ at _____.

1 Name Address
2 NOTICE: A copy of any notice of default and of any notice of sale will be
3 sent only to the address contained in this recorded request. If your address
4 changes, a new request must be recorded.
5 Signature _____”
6

7 Upon the filing for record of the request, the recorder shall index
8 in the general index of grantors the names of the trustors (or
9 mortgagor) recited therein and the names of persons requesting
10 copies.

11 (b) The mortgagee, trustee, or other person authorized to record
12 the notice of default or the notice of sale shall do each of the
13 following:

14 (1) Within 10 business days following recordation of the notice
15 of default, deposit or cause to be deposited in the United States
16 mail an envelope, sent by registered or certified mail with postage
17 prepaid, containing a copy of the notice with the recording date
18 shown thereon, addressed to each person whose name and address
19 are set forth in a duly recorded request therefor, directed to the
20 address designated in the request and to each trustor or mortgagor
21 at his or her last known address if different than the address
22 specified in the deed of trust or mortgage with power of sale.

23 (2) At least 20 days before the date of sale, deposit or cause to
24 be deposited in the United States mail an envelope, sent by
25 registered or certified mail with postage prepaid, containing a copy
26 of the notice of the time and place of sale, addressed to each person
27 whose name and address are set forth in a duly recorded request
28 therefor, directed to the address designated in the request and to
29 each trustor or mortgagor at his or her last known address if
30 different than the address specified in the deed of trust or mortgage
31 with power of sale.

32 (3) As used in paragraphs (1) and (2), the “last known address”
33 of each trustor or mortgagor means the last business or residence
34 physical address actually known by the mortgagee, beneficiary,
35 trustee, or other person authorized to record the notice of default.
36 For the purposes of this subdivision, an address is “actually known”
37 if it is contained in the original deed of trust or mortgage, or in
38 any subsequent written notification of a change of physical address
39 from the trustor or mortgagor pursuant to the deed of trust or
40 mortgage. For the purposes of this subdivision, “physical address”

1 does not include an e-mail or any form of electronic address for a
2 trustor or mortgagor. The beneficiary shall inform the trustee of
3 the trustor's last address actually known by the beneficiary.
4 However, the trustee shall incur no liability for failing to send any
5 notice to the last address unless the trustee has actual knowledge
6 of it.

7 (4) A "person authorized to record the notice of default or the
8 notice of sale" shall include an agent for the mortgagee or
9 beneficiary, an agent of the named trustee, any person designated
10 in an executed substitution of trustee, or an agent of that substituted
11 trustee.

12 (c) The mortgagee, trustee, or other person authorized to record
13 the notice of default or the notice of sale shall do the following:

14 (1) Within one month following recordation of the notice of
15 default, deposit or cause to be deposited in the United States mail
16 an envelope, sent by registered or certified mail with postage
17 prepaid, containing a copy of the notice with the recording date
18 shown thereon, addressed to each person set forth in paragraph
19 (2), provided that the estate or interest of any person entitled to
20 receive notice under this subdivision is acquired by an instrument
21 sufficient to impart constructive notice of the estate or interest in
22 the land or portion thereof that is subject to the deed of trust or
23 mortgage being foreclosed, and provided the instrument is recorded
24 in the office of the county recorder so as to impart that constructive
25 notice prior to the recording date of the notice of default and
26 provided the instrument as so recorded sets forth a mailing address
27 that the county recorder shall use, as instructed within the
28 instrument, for the return of the instrument after recording, and
29 which address shall be the address used for the purposes of mailing
30 notices herein.

31 (2) The persons to whom notice shall be mailed under this
32 subdivision are:

33 (A) The successor in interest, as of the recording date of the
34 notice of default, of the estate or interest or any portion thereof of
35 the trustor or mortgagor of the deed of trust or mortgage being
36 foreclosed.

37 (B) The beneficiary or mortgagee of any deed of trust or
38 mortgage recorded subsequent to the deed of trust or mortgage
39 being foreclosed, or recorded prior to or concurrently with the
40 deed of trust or mortgage being foreclosed but subject to a recorded

1 agreement or a recorded statement of subordination to the deed of
2 trust or mortgage being foreclosed.

3 (C) The assignee of any interest of the beneficiary or mortgagee
4 described in subparagraph (B), as of the recording date of the notice
5 of default.

6 (D) The vendee of any contract of sale, or the lessee of any
7 lease, of the estate or interest being foreclosed that is recorded
8 subsequent to the deed of trust or mortgage being foreclosed, or
9 recorded prior to or concurrently with the deed of trust or mortgage
10 being foreclosed but subject to a recorded agreement or statement
11 of subordination to the deed of trust or mortgage being foreclosed.

12 (E) The successor in interest to the vendee or lessee described
13 in subparagraph (D), as of the recording date of the notice of
14 default.

15 (F) The office of the Controller, Sacramento, California, where,
16 as of the recording date of the notice of default, a “Notice of Lien
17 for Postponed Property Taxes” has been recorded against the real
18 property to which the notice of default applies.

19 (3) At least 20 days before the date of sale, deposit or cause to
20 be deposited in the United States mail an envelope, sent by
21 registered or certified mail with postage prepaid, containing a copy
22 of the notice of the time and place of sale addressed to each person
23 to whom a copy of the notice of default is to be mailed as provided
24 in paragraphs (1) and (2), and addressed to the office of any state
25 taxing agency, Sacramento, California, that has recorded,
26 subsequent to the deed of trust or mortgage being foreclosed, a
27 notice of tax lien prior to the recording date of the notice of default
28 against the real property to which the notice of default applies.

29 (4) Provide a copy of the notice of sale to the Internal Revenue
30 Service, in accordance with Section 7425 of the Internal Revenue
31 Code and any applicable federal regulation, if a “Notice of Federal
32 Tax Lien under Internal Revenue Laws” has been recorded,
33 subsequent to the deed of trust or mortgage being foreclosed,
34 against the real property to which the notice of sale applies. The
35 failure to provide the Internal Revenue Service with a copy of the
36 notice of sale pursuant to this paragraph shall be sufficient cause
37 to rescind the trustee’s sale and invalidate the trustee’s deed, at
38 the option of either the successful bidder at the trustee’s sale or
39 the trustee, and in either case with the consent of the beneficiary.
40 Any option to rescind the trustee’s sale pursuant to this paragraph

1 shall be exercised prior to any transfer of the property by the
2 successful bidder to a bona fide purchaser for value. A rescission of
3 the trustee's sale pursuant to this paragraph may be recorded in a
4 notice of rescission pursuant to Section 1058.5.

5 (5) The mailing of notices in the manner set forth in paragraph
6 (1) shall not impose upon any licensed attorney, agent, or employee
7 of any person entitled to receive notices as herein set forth any
8 duty to communicate the notice to the entitled person from the fact
9 that the mailing address used by the county recorder is the address
10 of the attorney, agent, or employee.

11 (d) Any deed of trust or mortgage with power of sale hereafter
12 executed upon real property or an estate for years therein may
13 contain a request that a copy of any notice of default and a copy
14 of any notice of sale thereunder shall be mailed to any person or
15 party thereto at the address of the person given therein, and a copy
16 of any notice of default and of any notice of sale shall be mailed
17 to each of these at the same time and in the same manner required
18 as though a separate request therefor had been filed by each of
19 these persons as herein authorized. If any deed of trust or mortgage
20 with power of sale executed after September 19, 1939, except a
21 deed of trust or mortgage of any of the classes excepted from the
22 provisions of Section 2924, does not contain a mailing address of
23 the trustor or mortgagor therein named, and if no request for special
24 notice by the trustor or mortgagor in substantially the form set
25 forth in this section has subsequently been recorded, a copy of the
26 notice of default shall be published once a week for at least four
27 weeks in a newspaper of general circulation in the county in which
28 the property is situated, the publication to commence within 10
29 business days after the filing of the notice of default. In lieu of
30 publication, a copy of the notice of default may be delivered
31 personally to the trustor or mortgagor within the 10 business days
32 or at any time before publication is completed, or by posting the
33 notice of default in a conspicuous place on the property and mailing
34 the notice to the last known address of the trustor or mortgagor.

35 (e) Any person required to mail a copy of a notice of default or
36 notice of sale to each trustor or mortgagor pursuant to subdivision
37 (b) or (c) by registered or certified mail shall simultaneously cause
38 to be deposited in the United States mail, with postage prepaid and
39 mailed by first-class mail, an envelope containing an additional
40 copy of the required notice addressed to each trustor or mortgagor

1 at the same address to which the notice is sent by registered or
2 certified mail pursuant to subdivision (b) or (c). The person shall
3 execute and retain an affidavit identifying the notice mailed,
4 showing the name and residence or business address of that person,
5 that he or she is over the age of 18 years, the date of deposit in the
6 mail, the name and address of the trustor or mortgagor to whom
7 sent, and that the envelope was sealed and deposited in the mail
8 with postage fully prepaid. In the absence of fraud, the affidavit
9 required by this subdivision shall establish a conclusive
10 presumption of mailing.

11 (f) (1) Notwithstanding subdivision (a), with respect to separate
12 interests governed by an association, as defined in ~~subdivision (a)~~
13 ~~of Section 1351~~ *Section 4080 or 6528*, the association may cause
14 to be filed in the office of the recorder in the county in which the
15 separate interests are situated a request that a mortgagee, trustee,
16 or other person authorized to record a notice of default regarding
17 any of those separate interests mail to the association a copy of
18 any trustee's deed upon sale concerning a separate interest. The
19 request shall include a legal description or the assessor's parcel
20 number of all the separate interests. A request recorded pursuant
21 to this subdivision shall include the name and address of the
22 association and a statement that it is a ~~homeowners'~~ *an association*
23 *as defined in Section 4080 or 6528*. Subsequent requests of an
24 association shall supersede prior requests. A request pursuant to
25 this subdivision shall be recorded before the filing of a notice of
26 default. The mortgagee, trustee, or other authorized person shall
27 mail the requested information to the association within 15 business
28 days following the date of the trustee's sale. Failure to mail the
29 request, pursuant to this subdivision, shall not affect the title to
30 real property.

31 (2) A request filed pursuant to paragraph (1) does not, for
32 purposes of Section 27288.1 of the Government Code, constitute
33 a document that either effects or evidences a transfer or
34 encumbrance of an interest in real property or that releases or
35 terminates any interest, right, or encumbrance of an interest in real
36 property.

37 (g) No request for a copy of any notice filed for record pursuant
38 to this section, no statement or allegation in the request, and no
39 record thereof shall affect the title to real property or be deemed
40 notice to any person that any person requesting copies of notice

1 has or claims any right, title, or interest in, or lien or charge upon
2 the property described in the deed of trust or mortgage referred to
3 therein.

4 (h) “Business day,” as used in this section, has the meaning
5 specified in Section 9.

6 SEC. 17. Section 2955.1 of the Civil Code, as amended by
7 Section 41 of Chapter 181 of the Statutes of 2012, is amended to
8 read:

9 2955.1. (a) Any lender originating a loan secured by the
10 borrower’s separate interest in a condominium project, as defined
11 in Section 4125 *or* 6542, which requires earthquake insurance or
12 imposes a fee or any other condition in lieu thereof pursuant to an
13 underwriting requirement imposed by an institutional third-party
14 purchaser shall disclose all of the following to the potential
15 borrower:

16 (1) That the lender or the institutional third party in question
17 requires earthquake insurance or imposes a fee or any other
18 condition in lieu thereof pursuant to an underwriting requirement
19 imposed by an institutional third party purchaser.

20 (2) That not all lenders or institutional third parties require
21 earthquake insurance or impose a fee or any other condition in lieu
22 thereof pursuant to an underwriting requirement imposed by an
23 institutional third party purchaser.

24 (3) Earthquake insurance may be required on the entire
25 condominium project.

26 (4) That lenders or institutional third parties may also require
27 that a condominium project maintain, or demonstrate an ability to
28 maintain, financial reserves in the amount of the earthquake
29 insurance deductible.

30 (b) For the purposes of this section, “institutional third party”
31 means the Federal Home Loan Mortgage Corporation, the Federal
32 National Mortgage Association, the Government National
33 Mortgage Association, and other substantially similar institutions,
34 whether public or private.

35 (c) The disclosure required by this section shall be made in
36 writing by the lender as soon as reasonably practicable.

37 SEC. 18. Section 4202 of the Civil Code is amended to read:

38 ~~4202. (a) The following provisions do not apply to a common~~
39 ~~interest development that is limited to industrial or commercial~~
40 ~~uses by zoning or by a declaration of covenants, conditions, and~~

1 ~~restrictions that has been recorded in the official records of each~~
2 ~~county in which the common interest development is located:~~

3 ~~(1) Section 4275.~~

4 ~~(2) Article 5 (commencing with Section 4340) of Chapter 3.~~

5 ~~(3) Article 2 (commencing with Section 4525), and Article 3~~
6 ~~(commencing with Section 4575), of Chapter 4.~~

7 ~~(4) Section 4600.~~

8 ~~(5) Section 4740.~~

9 ~~(6) Section 4765.~~

10 ~~(7) Sections 5300, 5305, 5565, and 5810, and paragraph (7) of~~
11 ~~subdivision (a) of Section 5310.~~

12 ~~(8) Sections 5500 through 5560, inclusive.~~

13 ~~(9) Subdivision (b) of Section 5600.~~

14 ~~(10) Subdivision (b) of Section 5605.~~

15 ~~(b) The Legislature finds that the provisions listed in subdivision~~
16 ~~(a) are appropriate to protect purchasers in residential common~~
17 ~~interest developments, however, the provisions may not be~~
18 ~~necessary to protect purchasers in commercial or industrial~~
19 ~~developments since the application of those provisions could result~~
20 ~~in unnecessary burdens and costs for these types of developments.~~

21 *4202. This part does not apply to a commercial or industrial*
22 *common interest development, as defined in Section 6531.*

23 SEC. 19. Part 5.3 (commencing with Section 6500) is added
24 to Division 4 of the Civil Code, to read:

25
26 PART 5.3. COMMERCIAL AND INDUSTRIAL COMMON
27 INTEREST DEVELOPMENTS

28
29 CHAPTER 1. GENERAL PROVISIONS

30
31 Article 1. Preliminary Provisions

32
33 6500. This part shall be known, and may be cited, as the
34 Commercial and Industrial Common Interest Development Act.
35 In a provision of this part, the part may be referred to as the act.

36 6502. Division, part, title, chapter, article, and section headings
37 do not in any manner affect the scope, meaning, or intent of this
38 act.

39 6505. Nothing in the act that added this part shall be construed
40 to invalidate a document prepared or action taken before January

1 1, 2014, if the document or action was proper under the law
2 governing common interest developments at the time that the
3 document was prepared or the action was taken. For the purposes
4 of this section, “document” does not include a governing document.

5 6510. Unless a contrary intent is clearly expressed, a local
6 zoning ordinance is construed to treat like structures, lots, parcels,
7 areas, or spaces in like manner regardless of the form of the
8 common interest development.

9 6512. (a) If a provision of this act requires that a document be
10 delivered to an association, the document shall be delivered to the
11 president or secretary of the association.

12 (b) A document delivered pursuant to this section may be
13 delivered by any of the following methods:

14 (1) First-class mail, postage prepaid, registered or certified mail,
15 express mail, or overnight delivery by an express service carrier.

16 (2) By e-mail, facsimile, or other electronic means, if the
17 association has assented to that method of delivery.

18 (3) By personal delivery, if the association has assented to that
19 method of delivery. If the association accepts a document by
20 personal delivery it shall provide a written receipt acknowledging
21 delivery of the document.

22 6514. (a) If a provision of this act requires that an association
23 deliver a document by “individual delivery” or “individual notice,”
24 the document shall be delivered by one of the following methods:

25 (1) First-class mail, postage prepaid, registered or certified mail,
26 express mail, or overnight delivery by an express service carrier.
27 The document shall be addressed to the recipient at the address
28 last shown on the books of the association.

29 (2) E-mail, facsimile, or other electronic means, if the recipient
30 has consented, in writing, to that method of delivery. The consent
31 may be revoked, in writing, by the recipient.

32 (b) For the purposes of this section, an unrecorded provision of
33 the governing documents providing for a particular method of
34 delivery does not constitute agreement by a member to that method
35 of delivery.

36 6518. (a) This section governs the delivery of a document
37 pursuant to this act.

38 (b) If a document is delivered by mail, delivery is deemed to
39 be complete on deposit into the United States mail.

(c) If a document is delivered by electronic means, delivery is complete at the time of transmission.

6520. If the association or a member has consented to receive information by electronic delivery, and a provision of this act requires that the information be in writing, that requirement is satisfied if the information is provided in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

6522. If a provision of this act requires that an action be approved by a majority of all members, the action shall be approved or ratified by an affirmative vote of a majority of the votes entitled to be cast.

6524. If a provision of this act requires that an action be approved by a majority of a quorum of the members, the action shall be approved or ratified by an affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present, which affirmative votes also constitute a majority of the required quorum.

Article 2. Definitions

6526. The definitions in this article govern the construction of this act.

6528. “Association” means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

6530. “Board” means the board of directors of the association.

6531. A “commercial or industrial common interest development” means a common interest development that is limited to industrial or commercial uses by zoning or by a declaration of covenants, conditions, and restrictions that has been recorded in the official records of each county in which the common interest development is located.

6532. (a) “Common area” means the entire common interest development except the separate interests therein. The estate in the common area may be a fee, a life estate, an estate for years, or any combination of the foregoing.

(b) Notwithstanding subdivision (a), in a planned development described in subdivision (b) of Section 6562, the common area may consist of mutual or reciprocal easement rights appurtenant to the separate interests.

6534. “Common interest development” means any of the following:

- (a) A condominium project.
- (b) A planned development.
- (c) A stock cooperative.

6540. “Condominium plan” means a plan described in Section 6624.

6542. (a) A “condominium project” means a real property development consisting of condominiums.

(b) A condominium consists of an undivided interest in common in a portion of real property coupled with a separate interest in space called a unit, the boundaries of which are described on a recorded final map, parcel map, or condominium plan in sufficient detail to locate all boundaries thereof. The area within these boundaries may be filled with air, earth, water, or fixtures, or any combination thereof, and need not be physically attached to land except by easements for access and, if necessary, support. The description of the unit may refer to (1) boundaries described in the recorded final map, parcel map, or condominium plan, (2) physical boundaries, either in existence, or to be constructed, such as walls, floors, and ceilings of a structure or any portion thereof, (3) an entire structure containing one or more units, or (4) any combination thereof.

(c) The portion or portions of the real property held in undivided interest may be all of the real property, except for the separate interests, or may include a particular three-dimensional portion thereof, the boundaries of which are described on a recorded final map, parcel map, or condominium plan. The area within these boundaries may be filled with air, earth, water, or fixtures, or any combination thereof, and need not be physically attached to land except by easements for access and, if necessary, support.

(d) An individual condominium within a condominium project may include, in addition, a separate interest in other portions of the real property.

6544. “Declarant” means the person or group of persons designated in the declaration as declarant, or if no declarant is

1 designated, the person or group of persons who sign the original
2 declaration or who succeed to special rights, preferences, or
3 privileges designated in the declaration as belonging to the signator
4 of the original declaration.

5 6546. “Declaration” means the document, however
6 denominated, that contains the information required by Section
7 6614.

8 6548. “Director” means a natural person who serves on the
9 board.

10 6550. (a) “Exclusive use common area” means a portion of
11 the common area designated by the declaration for the exclusive
12 use of one or more, but fewer than all, of the owners of the separate
13 interests and which is or will be appurtenant to the separate interest
14 or interests.

15 (b) Unless the declaration otherwise provides, any shutters,
16 awnings, window boxes, doorsteps, stoops, porches, balconies,
17 patios, exterior doors, doorframes, and hardware incident thereto,
18 screens and windows or other fixtures designed to serve a single
19 separate interest, but located outside the boundaries of the separate
20 interest, are exclusive use common area allocated exclusively to
21 that separate interest.

22 (c) Notwithstanding the provisions of the declaration, internal
23 and external telephone wiring designed to serve a single separate
24 interest, but located outside the boundaries of the separate interest,
25 is exclusive use common area allocated exclusively to that separate
26 interest.

27 6552. “Governing documents” means the declaration and any
28 other documents, such as bylaws, operating rules, articles of
29 incorporation, or articles of association, which govern the operation
30 of the common interest development or association.

31 6553. “Individual notice” means the delivery of a document
32 pursuant to Section 6514.

33 6554. “Member” means an owner of a separate interest.

34 6560. “Person” means a natural person, corporation,
35 government or governmental subdivision or agency, business trust,
36 estate, trust, partnership, limited liability company, association,
37 or other entity.

38 6562. “Planned development” means a real property
39 development other than a condominium project, or a stock
40 cooperative, having either or both of the following features:

1 (a) Common area that is owned either by an association or in
2 common by the owners of the separate interests who possess
3 appurtenant rights to the beneficial use and enjoyment of the
4 common area.

5 (b) Common area and an association that maintains the common
6 area with the power to levy assessments that may become a lien
7 upon the separate interests in accordance with Article 2
8 (commencing with Section 6808) of Chapter 7.

9 6564. (a) “Separate interest” has the following meanings:

10 (1) In a condominium project, “separate interest” means a
11 separately owned unit, as specified in Section 6542.

12 (2) In a planned development, “separate interest” means a
13 separately owned lot, parcel, area, or space.

14 (3) In a stock cooperative, “separate interest” means the
15 exclusive right to occupy a portion of the real property, as specified
16 in Section 6566.

17 (b) Unless the declaration or condominium plan, if any exists,
18 otherwise provides, if walls, floors, or ceilings are designated as
19 boundaries of a separate interest, the interior surfaces of the
20 perimeter walls, floors, ceilings, windows, doors, and outlets
21 located within the separate interest are part of the separate interest
22 and any other portions of the walls, floors, or ceilings are part of
23 the common area.

24 (c) The estate in a separate interest may be a fee, a life estate,
25 an estate for years, or any combination of the foregoing.

26 6566. “Stock cooperative” means a development in which a
27 corporation is formed or availed of, primarily for the purpose of
28 holding title to, either in fee simple or for a term of years, improved
29 real property, and all or substantially all of the shareholders of the
30 corporation receive a right of exclusive occupancy in a portion of
31 the real property, title to which is held by the corporation. The
32 owners’ interest in the corporation, whether evidenced by a share
33 of stock, a certificate of membership, or otherwise, shall be deemed
34 to be an interest in a common interest development and a real estate
35 development for purposes of subdivision (f) of Section 25100 of
36 the Corporations Code.

CHAPTER 2. APPLICATION OF ACT

6580. Subject to Section 6582, this act applies and a common interest development is created whenever a separate interest coupled with an interest in the common area or membership in the association is, or has been, conveyed, provided all of the following are recorded:

- (a) A declaration.
 - (b) A condominium plan, if any exists.
 - (c) A final map or parcel map, if Division 2 (commencing with Section 66410) of Title 7 of the Government Code requires the recording of either a final map or parcel map for the common interest development.
6582. (a) This act applies only to a commercial or industrial common interest development.
- (b) Nothing in this act may be construed to apply to a real property development that does not contain common area. This subdivision is declaratory of existing law.

CHAPTER 3. GOVERNING DOCUMENTS

Article 1. General Provisions

6600. (a) To the extent of any inconsistency between the governing documents and the law, the law controls.
- (b) To the extent of any inconsistency between the articles of incorporation and the declaration, the declaration controls.
- (c) To the extent of any inconsistency between the bylaws and the articles of incorporation or declaration, the articles of incorporation or declaration control.
- (d) To the extent of any inconsistency between the operating rules and the bylaws, articles of incorporation, or declaration, the bylaws, articles of incorporation, or declaration control.
6602. Any deed, declaration, or condominium plan for a common interest development shall be liberally construed to facilitate the operation of the common interest development, and its provisions shall be presumed to be independent and severable. Nothing in Article 3 (commencing with Section 715) of Chapter 2 of Title 2 of Part 1 of Division 2 shall operate to invalidate any provisions of the governing documents.

1 6604. In interpreting deeds and condominium plans, the existing
2 physical boundaries of a unit in a condominium project, when the
3 boundaries of the unit are contained within a building, or of a unit
4 reconstructed in substantial accordance with the original plans
5 thereof, shall be conclusively presumed to be its boundaries rather
6 than the metes and bounds expressed in the deed or condominium
7 plan, if any exists, regardless of settling or lateral movement of
8 the building and regardless of minor variance between boundaries
9 shown on the plan or in the deed and those of the building.

10 6606. (a) No declaration or other governing document shall
11 include a restrictive covenant in violation of Section 12955 of the
12 Government Code.

13 (b) Notwithstanding any other provision of law or provision of
14 the governing documents, the board, without approval of the
15 members, shall amend any declaration or other governing document
16 that includes a restrictive covenant prohibited by this section to
17 delete the restrictive covenant, and shall restate the declaration or
18 other governing document without the restrictive covenant but
19 with no other change to the declaration or governing document.

20 (c) If the declaration is amended under this section, the board
21 shall record the restated declaration in each county in which the
22 common interest development is located. If the articles of
23 incorporation are amended under this section, the board shall file
24 a certificate of amendment with the Secretary of State pursuant to
25 Section 7814 of the Corporations Code.

26 (d) If after providing written notice to an association, pursuant
27 to Section 6512, requesting that the association delete a restrictive
28 covenant that violates subdivision (a), and the association fails to
29 delete the restrictive covenant within 30 days of receiving the
30 notice, the Department of Fair Employment and Housing, a city
31 or county in which a common interest development is located, or
32 any person may bring an action against the association for
33 injunctive relief to enforce subdivision (a). The court may award
34 attorney's fees to the prevailing party.

35 6608. (a) Notwithstanding any provision of the governing
36 documents to the contrary, the board may, after the developer has
37 completed construction of the development, has terminated
38 construction activities, and has terminated marketing activities for
39 the sale, lease, or other disposition of separate interests within the
40 development, adopt an amendment deleting from any of the

governing documents any provision which is unequivocally designed and intended, or which by its nature can only have been designed or intended, to facilitate the developer in completing the construction or marketing of the development. However, provisions of the governing documents relative to a particular construction or marketing phase of the development may not be deleted under the authorization of this subdivision until that construction or marketing phase has been completed.

(b) The provisions which may be deleted by action of the board shall be limited to those which provide for access by the developer over or across the common area for the purposes of (1) completion of construction of the development, and (2) the erection, construction, or maintenance of structures or other facilities designed to facilitate the completion of construction or marketing of separate interests.

(c) At least 30 days prior to taking action pursuant to subdivision (a), the board shall deliver to all members, by individual delivery pursuant to Section 6514, (1) a copy of all amendments to the governing documents proposed to be adopted under subdivision (a), and (2) a notice of the time, date, and place the board will consider adoption of the amendments.

The board may consider adoption of amendments to the governing documents pursuant to subdivision (a) only at a meeting that is open to all members, who shall be given opportunity to make comments thereon. All deliberations of the board on any action proposed under subdivision (a) shall only be conducted in an open meeting.

(d) The board may not amend the governing documents pursuant to this section without the approval of a majority of a quorum of the members, pursuant to Section 6524. For the purposes of this section, “quorum” means more than 50 percent of the members who own no more than two separate interests in the development.

6610. (a) Notwithstanding any other law or provision of the governing documents, if the governing documents include a reference to a provision of the Davis-Stirling Common Interest Development Act that was continued in a new provision by the act that added this section, the board may amend the governing documents, solely to correct the cross-reference, by adopting a board resolution that shows the correction. Member approval is not required in order to adopt a resolution pursuant to this section.

1 (b) A declaration that is corrected under this section may be
2 restated in corrected form and recorded, provided that a copy of
3 the board resolution authorizing the corrections is recorded along
4 with the restated declaration.

5
6 Article 2. Declaration
7

8 6614. (a) A declaration, recorded on or after January 1, 1986,
9 shall contain a legal description of the common interest
10 development, and a statement that the common interest
11 development is a condominium project, planned development,
12 stock cooperative, or combination thereof. The declaration shall
13 additionally set forth the name of the association and the
14 restrictions on the use or enjoyment of any portion of the common
15 interest development that are intended to be enforceable equitable
16 servitudes.

17 (b) The declaration may contain any other matters the declarant
18 or the members consider appropriate.

19 6616. Except to the extent that a declaration provides by its
20 express terms that it is not amendable, in whole or in part, a
21 declaration that fails to include provisions permitting its
22 amendment at all times during its existence may be amended at
23 any time.

24 6618. (a) The Legislature finds that there are common interest
25 developments that have been created with deed restrictions that
26 do not provide a means for the members to extend the term of the
27 declaration. The Legislature further finds that covenants and
28 restrictions, contained in the declaration, are an appropriate method
29 for protecting the common plan of developments and to provide
30 for a mechanism for financial support for the upkeep of common
31 area including, but not limited to, roofs, roads, heating systems,
32 and recreational facilities. If declarations terminate prematurely,
33 common interest developments may deteriorate and the supply of
34 affordable units could be impacted adversely. The Legislature
35 further finds and declares that it is in the public interest to provide
36 a vehicle for extending the term of the declaration if the extension
37 is approved by a majority of all members, pursuant to Section
38 6522.

39 (b) A declaration that specifies a termination date, but that
40 contains no provision for extension of the termination date, may

1 be extended, before its termination date, by the approval of
2 members pursuant to Section 6620.

3 (c) No single extension of the terms of the declaration made
4 pursuant to this section shall exceed the initial term of the
5 declaration or 20 years, whichever is less. However, more than
6 one extension may occur pursuant to this section.

7 6620. (a) A declaration may be amended pursuant to the
8 declaration or this act. An amendment is effective after all of the
9 following requirements have been met:

10 (1) The proposed amendment has been delivered by individual
11 notice to all members not less than 15 days and not more than 60
12 days prior to any approval being solicited.

13 (2) The amendment has been approved by the percentage of
14 members required by the declaration and any other person whose
15 approval is required by the declaration.

16 (3) That fact has been certified in a writing executed and
17 acknowledged by the officer designated in the declaration or by
18 the association for that purpose, or if no one is designated, by the
19 president of the association.

20 (4) The amendment has been recorded in each county in which
21 a portion of the common interest development is located.

22 (b) If the declaration does not specify the percentage of members
23 who must approve an amendment of the declaration, an amendment
24 may be approved by a majority of all members, pursuant to Section
25 6522.

26 27 Article 3. Articles of Incorporation 28

29 6622. (a) The articles of incorporation of an association filed
30 with the Secretary of State shall include a statement, which shall
31 be in addition to the statement of purposes of the corporation, that
32 does all of the following:

33 (1) Identifies the corporation as an association formed to manage
34 a common interest development under the Commercial and
35 Industrial Common Interest Development Act.

36 (2) States the business or corporate office of the association, if
37 any, and, if the office is not on the site of the common interest
38 development, states the front street and nearest cross street for the
39 physical location of the common interest development.

1 (3) States the name and address of the association's managing
2 agent, if any.

3 (b) The statement filed by an incorporated association with the
4 Secretary of State pursuant to Section 8210 of the Corporations
5 Code shall also contain a statement identifying the corporation as
6 an association formed to manage a common interest development
7 under the Commercial and Industrial Common Interest
8 Development Act.

9
10 Article 4. Condominium Plan
11

12 6624. A condominium plan shall contain all of the following:

13 (a) A description or survey map of a condominium project,
14 which shall refer to or show monumentation on the ground.

15 (b) A three-dimensional description of a condominium project,
16 one or more dimensions of which may extend for an indefinite
17 distance upwards or downwards, in sufficient detail to identify the
18 common area and each separate interest.

19 (c) A certificate consenting to the recordation of the
20 condominium plan pursuant to this act that is signed and
21 acknowledged as provided in Section 6626.

22 6626. (a) The certificate consenting to the recordation of a
23 condominium plan that is required by subdivision (c) of Section
24 6624 shall be signed and acknowledged by all of the following
25 persons:

26 (1) The record owner of fee title to that property included in the
27 condominium project.

28 (2) In the case of a condominium project that will terminate
29 upon the termination of an estate for years, by all lessors and
30 lessees of the estate for years.

31 (3) In the case of a condominium project subject to a life estate,
32 by all life tenants and remainder interests.

33 (4) The trustee or the beneficiary of each recorded deed of trust,
34 and the mortgagee of each recorded mortgage encumbering the
35 property.

36 (b) Owners of mineral rights, easements, rights-of-way, and
37 other nonpossessory interests do not need to sign the certificate.

38 (c) In the event a conversion to condominiums of a stock
39 cooperative has been approved by the required number of owners,
40 trustees, beneficiaries, and mortgagees pursuant to Section

1 66452.10 of the Government Code, the certificate need only be
2 signed by those owners, trustees, beneficiaries, and mortgagees
3 approving the conversion.

4 6628. A condominium plan may be amended or revoked by a
5 recorded instrument that is acknowledged and signed by all the
6 persons who, at the time of amendment or revocation, are persons
7 whose signatures are required under Section 6626.

8 9 Article 5. Operating Rules

10
11 6630. For the purposes of this article, “operating rule” means
12 a regulation adopted by the board that applies generally to the
13 management and operation of the common interest development
14 or the conduct of the business and affairs of the association.

15 6632. An operating rule is valid and enforceable only if all of
16 the following requirements are satisfied:

17 (a) The rule is in writing.

18 (b) The rule is within the authority of the board conferred by
19 law or by the declaration, articles of incorporation or association,
20 or bylaws of the association.

21 (c) The rule is not inconsistent with governing law and the
22 declaration, articles of incorporation or association, and bylaws
23 of the association.

24 (d) The rule is reasonable, and is adopted, amended, or repealed
25 in good faith.

26 27 CHAPTER 4. OWNERSHIP AND TRANSFER OF INTERESTS

28 29 Article 1. Ownership Rights and Interests

30
31 6650. Unless the declaration otherwise provides, in a
32 condominium project, or in a planned development in which the
33 common area is owned by the owners of the separate interests, the
34 common area is owned as tenants in common, in equal shares, one
35 for each separate interest.

36 6652. Unless the declaration otherwise provides:

37 (a) In a condominium project, and in those planned
38 developments with common area owned in common by the owners
39 of the separate interests, there are appurtenant to each separate
40 interest nonexclusive rights of ingress, egress, and support, if

1 necessary, through the common area. The common area is subject
2 to these rights.

3 (b) In a stock cooperative, and in a planned development with
4 common area owned by the association, there is an easement for
5 ingress, egress, and support, if necessary, appurtenant to each
6 separate interest. The common area is subject to these easements.

7 6654. Except as otherwise provided in law, an order of the
8 court, or an order pursuant to a final and binding arbitration
9 decision, an association may not deny a member or occupant
10 physical access to the member's or occupant's separate interest,
11 either by restricting access through the common area to the separate
12 interest, or by restricting access solely to the separate interest.

13
14 Article 2. Restrictions on Transfers
15

16 6656. (a) Except as provided in this section, the common area
17 in a condominium project shall remain undivided, and there shall
18 be no judicial partition thereof. Nothing in this section shall be
19 deemed to prohibit partition of a cotenancy in a condominium.

20 (b) The owner of a separate interest in a condominium project
21 may maintain a partition action as to the entire project as if the
22 owners of all of the separate interests in the project were tenants
23 in common in the entire project in the same proportion as their
24 interests in the common area. The court shall order partition under
25 this subdivision only by sale of the entire condominium project
26 and only upon a showing of one of the following:

27 (1) More than three years before the filing of the action, the
28 condominium project was damaged or destroyed, so that a material
29 part was rendered unfit for its prior use, and the condominium
30 project has not been rebuilt or repaired substantially to its state
31 prior to the damage or destruction.

32 (2) Three-fourths or more of the project is destroyed or
33 substantially damaged and owners of separate interests holding in
34 the aggregate more than a 50-percent interest in the common area
35 oppose repair or restoration of the project.

36 (3) The project has been in existence more than 50 years, is
37 obsolete and uneconomic, and owners of separate interests holding
38 in the aggregate more than a 50-percent interest in the common
39 area oppose repair or restoration of the project.

(4) Any conditions in the declaration for sale under the circumstances described in this subdivision have been met.

6658. (a) In a condominium project, no labor performed or services or materials furnished with the consent of, or at the request of, an owner in the condominium project or the owners' agent or contractor shall be the basis for the filing of a lien against any other property of any other owner in the condominium project unless that other owner has expressly consented to or requested the performance of the labor or furnishing of the materials or services. However, express consent shall be deemed to have been given by the owner of any condominium in the case of emergency repairs thereto.

(b) Labor performed or services or materials furnished for the common area, if duly authorized by the association, shall be deemed to be performed or furnished with the express consent of each condominium owner.

(c) The owner of any condominium may remove that owner's condominium from a lien against two or more condominiums or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by the lien that is attributable to the owner's condominium.

Article 3. Transfer of Separate Interest

6662. In a condominium project the common area is not subject to partition, except as provided in Section 6656. Any conveyance, judicial sale, or other voluntary or involuntary transfer of the separate interest includes the undivided interest in the common area. Any conveyance, judicial sale, or other voluntary or involuntary transfer of the owner's entire estate also includes the owner's membership interest in the association.

6664. In a planned development, any conveyance, judicial sale, or other voluntary or involuntary transfer of the separate interest includes the undivided interest in the common area, if any exists. Any conveyance, judicial sale, or other voluntary or involuntary transfer of the owner's entire estate also includes the owner's membership interest in the association.

6666. In a stock cooperative, any conveyance, judicial sale, or other voluntary or involuntary transfer of the separate interest includes the ownership interest in the corporation, however

1 evidenced. Any conveyance, judicial sale, or other voluntary or
2 involuntary transfer of the owner's entire estate also includes the
3 owner's membership interest in the association.

4 6668. Nothing in this article prohibits the transfer of exclusive
5 use areas, independent of any other interest in a common interest
6 subdivision, if authorization to separately transfer exclusive use
7 areas is expressly stated in the declaration and the transfer occurs
8 in accordance with the terms of the declaration.

9 6670. Any restrictions upon the severability of the component
10 interests in real property which are contained in the declaration
11 shall not be deemed conditions repugnant to the interest created
12 within the meaning of Section 711. However, these restrictions
13 shall not extend beyond the period in which the right to partition
14 a project is suspended under Section 6656.

15
16 CHAPTER 5. PROPERTY USE AND MAINTENANCE

17
18 Article 1. Protected Uses

19
20 6700. This article includes provisions that limit the authority
21 of an association or the governing documents to regulate the use
22 of a member's separate interest. Nothing in this article is intended
23 to affect the application of any other provision that limits the
24 authority of an association to regulate the use of a member's
25 separate interest, including, but not limited to, the following
26 provisions:

- 27 (a) Sections 712 and 713, relating to the display of signs.
28 (b) Sections 714 and 714.1, relating to solar energy systems.
29 (c) Section 714.5, relating to structures that are constructed
30 offsite and moved to the property in sections or modules.
31 (d) Sections 782, 782.5, and 6150 of this code and Section
32 12956.1 of the Government Code, relating to racial restrictions.

33 6702. (a) Except as required for the protection of the public
34 health or safety, no governing document shall limit or prohibit, or
35 be construed to limit or prohibit, the display of the flag of the
36 United States by a member on or in the member's separate interest
37 or within the member's exclusive use common area.

38 (b) For purposes of this section, "display of the flag of the
39 United States" means a flag of the United States made of fabric,
40 cloth, or paper displayed from a staff or pole or in a window, and

1 does not mean a depiction or emblem of the flag of the United
2 States made of lights, paint, roofing, siding, paving materials, flora,
3 or balloons, or any other similar building, landscaping, or
4 decorative component.

5 (c) In any action to enforce this section, the prevailing party
6 shall be awarded reasonable attorney's fees and costs.

7 6704. (a) The governing documents may not prohibit posting
8 or displaying of noncommercial signs, posters, flags, or banners
9 on or in a member's separate interest, except as required for the
10 protection of public health or safety or if the posting or display
11 would violate a local, state, or federal law.

12 (b) For purposes of this section, a noncommercial sign, poster,
13 flag, or banner may be made of paper, cardboard, cloth, plastic,
14 or fabric, and may be posted or displayed from the yard, window,
15 door, balcony, or outside wall of the separate interest, but may not
16 be made of lights, roofing, siding, paving materials, flora, or
17 balloons, or any other similar building, landscaping, or decorative
18 component, or include the painting of architectural surfaces.

19 (c) An association may prohibit noncommercial signs and
20 posters that are more than nine square feet in size and
21 noncommercial flags or banners that are more than 15 square feet
22 in size.

23 6706. (a) No governing documents shall prohibit the owner
24 of a separate interest within a common interest development from
25 keeping at least one pet within the common interest development,
26 subject to reasonable rules and regulations of the association. This
27 section may not be construed to affect any other rights provided
28 by law to an owner of a separate interest to keep a pet within the
29 development.

30 (b) For purposes of this section, "pet" means any domesticated
31 bird, cat, dog, aquatic animal kept within an aquarium, or other
32 animal as agreed to between the association and the owner.

33 (c) If the association implements a rule or regulation restricting
34 the number of pets an owner may keep, the new rule or regulation
35 shall not apply to prohibit an owner from continuing to keep any
36 pet that the owner currently keeps in the owner's separate interest
37 if the pet otherwise conforms with the previous rules or regulations
38 relating to pets.

39 (d) For the purposes of this section, "governing documents"
40 shall include, but are not limited to, the conditions, covenants, and

1 restrictions of the common interest development, and the bylaws,
2 rules, and regulations of the association.

3 (e) This section shall become operative on January 1, 2001, and
4 shall only apply to governing documents entered into, amended,
5 or otherwise modified on or after that date.

6 6708. (a) Any covenant, condition, or restriction contained in
7 any deed, contract, security instrument, or other instrument
8 affecting the transfer or sale of, or any interest in, a common
9 interest development that effectively prohibits or restricts the
10 installation or use of a video or television antenna, including a
11 satellite dish, or that effectively prohibits or restricts the attachment
12 of that antenna to a structure within that development where the
13 antenna is not visible from any street or common area, except as
14 otherwise prohibited or restricted by law, is void and unenforceable
15 as to its application to the installation or use of a video or television
16 antenna that has a diameter or diagonal measurement of 36 inches
17 or less.

18 (b) This section shall not apply to any covenant, condition, or
19 restriction, as described in subdivision (a), that imposes reasonable
20 restrictions on the installation or use of a video or television
21 antenna, including a satellite dish, that has a diameter or diagonal
22 measurement of 36 inches or less. For purposes of this section,
23 “reasonable restrictions” means those restrictions that do not
24 significantly increase the cost of the video or television antenna
25 system, including all related equipment, or significantly decrease
26 its efficiency or performance and include all of the following:

27 (1) Requirements for application and notice to the association
28 prior to the installation.

29 (2) Requirement of a member to obtain the approval of the
30 association for the installation of a video or television antenna that
31 has a diameter or diagonal measurement of 36 inches or less on a
32 separate interest owned by another.

33 (3) Provision for the maintenance, repair, or replacement of
34 roofs or other building components.

35 (4) Requirements for installers of a video or television antenna
36 to indemnify or reimburse the association or its members for loss
37 or damage caused by the installation, maintenance, or use of a
38 video or television antenna that has a diameter or diagonal
39 measurement of 36 inches or less.

(c) Whenever approval is required for the installation or use of a video or television antenna, including a satellite dish, the application for approval shall be processed by the appropriate approving entity for the common interest development in the same manner as an application for approval of an architectural modification to the property, and the issuance of a decision on the application shall not be willfully delayed.

(d) In any action to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney's fees.

6710. (a) Any provision of a governing document that arbitrarily or unreasonably restricts an owner's ability to market the owner's interest in a common interest development is void.

(b) No association may adopt, enforce, or otherwise impose any governing document that does either of the following:

(1) Imposes an assessment or fee in connection with the marketing of an owner's interest in an amount that exceeds the association's actual or direct costs.

(2) Establishes an exclusive relationship with a real estate broker through which the sale or marketing of interests in the development is required to occur. The limitation set forth in this paragraph does not apply to the sale or marketing of separate interests owned by the association or to the sale or marketing of common area by the association.

(c) For purposes of this section, "market" and "marketing" mean listing, advertising, or obtaining or providing access to show the owner's interest in the development.

(d) This section does not apply to rules or regulations made pursuant to Section 712 or 713 regarding real estate signs.

6712. (a) Notwithstanding any other law, a provision of the governing documents shall be void and unenforceable if it does any of the following:

(1) Prohibits, or includes conditions that have the effect of prohibiting, the use of low water-using plants as a group.

(2) Has the effect of prohibiting or restricting compliance with either of the following:

(A) A water-efficient landscape ordinance adopted or in effect pursuant to subdivision (c) of Section 65595 of the Government Code.

(B) Any regulation or restriction on the use of water adopted pursuant to Section 353 or 375 of the Water Code.

(b) This section shall not prohibit an association from applying landscaping rules established in the governing documents, to the extent the rules fully conform with the requirements of subdivision (a).

6713. (a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest development, and any provision of a governing document, as defined in Section 6552, that either effectively prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in an owner's designated parking space, including, but not limited to, a deeded parking space, a parking space in an owner's exclusive use common area, or a parking space that is specifically designated for use by a particular owner, or is in conflict with the provisions of this section is void and unenforceable.

(b) (1) This section does not apply to provisions that impose reasonable restrictions on electric vehicle charging stations. However, it is the policy of the state to promote, encourage, and remove obstacles to the use of electric vehicle charging stations.

(2) For purposes of this section, "reasonable restrictions" are restrictions that do not significantly increase the cost of the station or significantly decrease its efficiency or specified performance.

(c) An electric vehicle charging station shall meet applicable health and safety standards and requirements imposed by state and local authorities, and all other applicable zoning, land use or other ordinances, or land use permits.

(d) For purposes of this section, "electric vehicle charging station" means a station that is designed in compliance with the California Building Standards Code and delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An electric vehicle charging station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles.

(e) If approval is required for the installation or use of an electric vehicle charging station, the application for approval shall be processed and approved by the association in the same manner as an application for approval of an architectural modification to the property, and shall not be willfully avoided or delayed. The

1 approval or denial of an application shall be in writing. If an
2 application is not denied in writing within 60 days from the date
3 of receipt of the application, the application shall be deemed
4 approved, unless that delay is the result of a reasonable request
5 for additional information.

6 (f) If the electric vehicle charging station is to be placed in a
7 common area or an exclusive use common area, as designated in
8 the common interest development's declaration, the following
9 provisions apply:

10 (1) The owner first shall obtain approval from the association
11 to install the electric vehicle charging station and the association
12 shall approve the installation if the owner agrees in writing to do
13 all of the following:

14 (A) Comply with the association's architectural standards for
15 the installation of the charging station.

16 (B) Engage a licensed contractor to install the charging station.

17 (C) Within 14 days of approval, provide a certificate of
18 insurance that names the association as an additional insured under
19 the owner's insurance policy in the amount set forth in paragraph
20 (3).

21 (D) Pay for the electricity usage associated with the charging
22 station.

23 (2) The owner and each successive owner of the charging station
24 shall be responsible for all of the following:

25 (A) Costs for damage to the charging station, common area,
26 exclusive use common area, or separate interests resulting from
27 the installation, maintenance, repair, removal, or replacement of
28 the charging station.

29 (B) Costs for the maintenance, repair, and replacement of the
30 charging station until it has been removed and for the restoration
31 of the common area after removal.

32 (C) The cost of electricity associated with the charging station.

33 (D) Disclosing to prospective buyers the existence of any
34 charging station of the owner and the related responsibilities of
35 the owner under this section.

36 (3) The owner and each successive owner of the charging
37 station, at all times, shall maintain a liability coverage policy in
38 the amount of one million dollars (\$1,000,000), and shall name
39 the association as a named additional insured under the policy with
40 a right to notice of cancellation.

1 (4) An owner shall not be required to maintain a liability
2 coverage policy for an existing National Electrical Manufacturers
3 Association standard alternating current power plug.

4 (g) Except as provided in subdivision (h), installation of an
5 electric vehicle charging station for the exclusive use of an owner
6 in a common area, that is not an exclusive use common area, shall
7 be authorized by the association only if installation in the owner's
8 designated parking space is impossible or unreasonably expensive.

9 In such cases, the association shall enter into a license agreement
10 with the owner for the use of the space in a common area, and the
11 owner shall comply with all of the requirements in subdivision (f).

12 (h) The association or owners may install an electric vehicle
13 charging station in the common area for the use of all members of
14 the association and, in that case, the association shall develop
15 appropriate terms of use for the charging station.

16 (i) An association may create a new parking space where one
17 did not previously exist to facilitate the installation of an electric
18 vehicle charging station.

19 (j) An association that willfully violates this section shall be
20 liable to the applicant or other party for actual damages, and shall
21 pay a civil penalty to the applicant or other party in an amount not
22 to exceed one thousand dollars (\$1,000).

23 (k) In any action to enforce compliance with this section, the
24 prevailing plaintiff shall be awarded reasonable attorney's fees.
25

26 Article 2. Modification of Separate Interest

27
28 6714. (a) Subject to the governing documents and applicable
29 law, a member may do the following:

30 (1) Make any improvement or alteration within the boundaries
31 of the member's separate interest that does not impair the structural
32 integrity or mechanical systems or lessen the support of any
33 portions of the common interest development.

34 (2) Modify the member's separate interest, at the member's
35 expense, to facilitate access for persons who are blind, visually
36 handicapped, deaf, or physically disabled, or to alter conditions
37 which could be hazardous to these persons. These modifications
38 may also include modifications of the route from the public way
39 to the door of the separate interest for the purposes of this
40 paragraph if the separate interest is on the ground floor or already

1 accessible by an existing ramp or elevator. The right granted by
2 this paragraph is subject to the following conditions:

3 (A) The modifications shall be consistent with applicable
4 building code requirements.

5 (B) The modifications shall be consistent with the intent of
6 otherwise applicable provisions of the governing documents
7 pertaining to safety or aesthetics.

8 (C) Modifications external to the separate interest shall not
9 prevent reasonable passage by other residents, and shall be removed
10 by the member when the separate interest is no longer occupied
11 by persons requiring those modifications who are blind, visually
12 handicapped, deaf, or physically disabled.

13 (D) Any member who intends to modify a separate interest
14 pursuant to this paragraph shall submit plans and specifications to
15 the association for review to determine whether the modifications
16 will comply with the provisions of this paragraph. The association
17 shall not deny approval of the proposed modifications under this
18 paragraph without good cause.

19 (b) Any change in the exterior appearance of a separate interest
20 shall be in accordance with the governing documents and
21 applicable provisions of law.

22 Article 3. Maintenance

23
24
25 6716. (a) Unless otherwise provided in the declaration of a
26 common interest development, the association is responsible for
27 repairing, replacing, or maintaining the common area, other than
28 exclusive use common area, and the owner of each separate interest
29 is responsible for maintaining that separate interest and any
30 exclusive use common area appurtenant to the separate interest.

31 (b) The costs of temporary relocation during the repair and
32 maintenance of the areas within the responsibility of the association
33 shall be borne by the owner of the separate interest affected.

34 6718. (a) In a condominium project or stock cooperative,
35 unless otherwise provided in the declaration, the association is
36 responsible for the repair and maintenance of the common area
37 occasioned by the presence of wood-destroying pests or organisms.

38 (b) In a planned development, unless a different maintenance
39 scheme is provided in the declaration, each owner of a separate
40 interest is responsible for the repair and maintenance of that

1 separate interest as may be occasioned by the presence of
2 wood-destroying pests or organisms. Upon approval of the majority
3 of all members of the association, pursuant to Section 6522, that
4 responsibility may be delegated to the association, which shall be
5 entitled to recover the cost thereof as a special assessment.

6 6720. (a) The association may cause the temporary, summary
7 removal of any occupant of a common interest development for
8 such periods and at such times as may be necessary for prompt,
9 effective treatment of wood-destroying pests or organisms.

10 (b) The association shall give notice of the need to temporarily
11 vacate a separate interest to the occupants and to the owners, not
12 less than 15 days nor more than 30 days prior to the date of the
13 temporary relocation. The notice shall state the reason for the
14 temporary relocation, the date and time of the beginning of
15 treatment, the anticipated date and time of termination of treatment,
16 and that the occupants will be responsible for their own
17 accommodations during the temporary relocation.

18 (c) Notice by the association shall be deemed complete upon
19 either:

20 (1) Personal delivery of a copy of the notice to the occupants,
21 and if an occupant is not the owner, individual delivery pursuant
22 to Section 6514, of a copy of the notice to the owner.

23 (2) Individual delivery pursuant to Section 6514 to the occupant
24 at the address of the separate interest, and if the occupant is not
25 the owner, individual delivery pursuant to Section 6514, of a copy
26 of the notice to the owner.

27 (d) For purposes of this section, “occupant” means an owner,
28 resident, guest, invitee, tenant, lessee, sublessee, or other person
29 in possession of the separate interest.

30 6722. Notwithstanding the provisions of the declaration, a
31 member is entitled to reasonable access to the common area for
32 the purpose of maintaining the internal and external telephone
33 wiring made part of the exclusive use common area of the
34 member’s separate interest pursuant to subdivision (c) of Section
35 6550. The access shall be subject to the consent of the association,
36 whose approval shall not be unreasonably withheld, and which
37 may include the association’s approval of telephone wiring upon
38 the exterior of the common area, and other conditions as the
39 association determines reasonable.

CHAPTER 6. ASSOCIATION GOVERNANCE

Article 1. Association Existence and Powers

6750. A common interest development shall be managed by an association that may be incorporated or unincorporated. The association may be referred to as an owners' association or a community association.

6752. (a) Unless the governing documents provide otherwise, and regardless of whether the association is incorporated or unincorporated, the association may exercise the powers granted to a nonprofit mutual benefit corporation, as enumerated in Section 7140 of the Corporations Code, except that an unincorporated association may not adopt or use a corporate seal or issue membership certificates in accordance with Section 7313 of the Corporations Code.

(b) The association, whether incorporated or unincorporated, may exercise the powers granted to an association in this act.

Article 2. Record Keeping

6756. To be effective, any of the following requests shall be delivered in writing to the association, pursuant to Section 6512:

(a) A request to change the member's information in the association membership list.

(b) A request to add or remove a second address for delivery of documents to the member pursuant to Section 6814.

Article 3. Conflict of Interest

6758. (a) Notwithstanding any other law, and regardless of whether an association is incorporated or unincorporated, the provisions of Sections 7233 and 7234 of the Corporations Code shall apply to any contract or other transaction authorized, approved, or ratified by the board or a committee of the board.

(b) A director or member of a committee shall not vote on any of the following matters:

(1) Discipline of the director or committee member.

(2) An assessment against the director or committee member for damage to the common area or facilities.

1 (3) A request, by the director or committee member, for a
2 payment plan for overdue assessments.

3 (4) A decision whether to foreclose on a lien on the separate
4 interest of the director or committee member.

5 (5) Review of a proposed physical change to the separate interest
6 of the director or committee member.

7 (6) A grant of exclusive use common area to the director or
8 committee member.

9 (c) Nothing in this section limits any other provision of law or
10 the governing documents that govern a decision in which a director
11 may have an interest.

12
13 Article 4. Government Assistance
14

15 6760. (a) To assist with the identification of common interest
16 developments, each association, whether incorporated or
17 unincorporated, shall submit to the Secretary of State, on a form
18 and for a fee not to exceed thirty dollars (\$30) that the Secretary
19 of State shall prescribe, the following information concerning the
20 association and the development that it manages:

21 (1) A statement that the association is formed to manage a
22 common interest development under the Commercial and Industrial
23 Common Interest Development Act.

24 (2) The name of the association.

25 (3) The street address of the business or corporate office of the
26 association, if any.

27 (4) The street address of the association's onsite office if
28 different from the street address of the business or corporate office,
29 or if there is no onsite office, the street address of the responsible
30 officer or managing agent of the association.

31 (5) The name, address, and either the daytime telephone number
32 or e-mail address of the president of the association, other than the
33 address, telephone number, or e-mail address of the association's
34 onsite office or managing agent.

35 (6) The name, street address, and daytime telephone number of
36 the association's managing agent, if any.

37 (7) The county, and, if in an incorporated area, the city in which
38 the development is physically located. If the boundaries of the
39 development are physically located in more than one county, each
40 of the counties in which it is located.

1 (8) If the development is in an unincorporated area, the city
2 closest in proximity to the development.

3 (9) The front street and nearest cross street of the physical
4 location of the development.

5 (10) The type of common interest development managed by the
6 association.

7 (11) The number of separate interests in the development.

8 (b) The association shall submit the information required by
9 this section as follows:

10 (1) By incorporated associations, within 90 days after the filing
11 of its original articles of incorporation, and thereafter at the time
12 the association files its statement of principal business activity
13 with the Secretary of State pursuant to Section 8210 of the
14 Corporations Code.

15 (2) By unincorporated associations, in July of 2003, and in that
16 same month biennially thereafter. Upon changing its status to that
17 of a corporation, the association shall comply with the filing
18 deadlines in paragraph (1).

19 (c) The association shall notify the Secretary of State of any
20 change in the street address of the association's onsite office or of
21 the responsible officer or managing agent of the association in the
22 form and for a fee prescribed by the Secretary of State, within 60
23 days of the change.

24 (d) The penalty for an incorporated association's noncompliance
25 with the initial or biennial filing requirements of this section shall
26 be suspension of the association's rights, privileges, and powers
27 as a corporation and monetary penalties, to the same extent and in
28 the same manner as suspension and monetary penalties imposed
29 pursuant to Section 8810 of the Corporations Code.

30 (e) The statement required by this section may be filed,
31 notwithstanding suspension of the corporate powers, rights, and
32 privileges under this section or under provisions of the Revenue
33 and Taxation Code. Upon the filing of a statement under this
34 section by a corporation that has suffered suspension under this
35 section, the Secretary of State shall certify that fact to the Franchise
36 Tax Board and the corporation may thereupon be relieved from
37 suspension, unless the corporation is held in suspension by the
38 Franchise Tax Board by reason of Section 23301, 23301.5, or
39 23775 of the Revenue and Taxation Code.

1 (f) The Secretary of State shall make the information submitted
2 pursuant to paragraph (5) of subdivision (a) available only for
3 governmental purposes and only to Members of the Legislature
4 and the Business, Transportation and Housing Agency, upon
5 written request. All other information submitted pursuant to this
6 section shall be subject to public inspection pursuant to the
7 California Public Records Act (Chapter 3.5 (commencing with
8 Section 6250) of Division 7 of Title 1 of the Government Code).
9 The information submitted pursuant to this section shall be made
10 available for governmental or public inspection.

11 (g) Whenever any form is filed pursuant to this section, it
12 supersedes any previously filed form.

13 (h) The Secretary of State may destroy or otherwise dispose of
14 any form filed pursuant to this section after it has been superseded
15 by the filing of a new form.

16
17 CHAPTER 7. ASSESSMENTS AND ASSESSMENT COLLECTION
18

19 Article 1. Establishment and Imposition of Assessments
20

21 6800. The association shall levy regular and special assessments
22 sufficient to perform its obligations under the governing documents
23 and this act.

24 6804. (a) Regular assessments imposed or collected to perform
25 the obligations of an association under the governing documents
26 or this act shall be exempt from execution by a judgment creditor
27 of the association only to the extent necessary for the association
28 to perform essential services, such as paying for utilities and
29 insurance. In determining the appropriateness of an exemption, a
30 court shall ensure that only essential services are protected under
31 this subdivision.

32 (b) This exemption shall not apply to any consensual pledges,
33 liens, or encumbrances that have been approved by a majority of
34 a quorum of members, pursuant to Section 6524, at a member
35 meeting or election, or to any state tax lien, or to any lien for labor
36 or materials supplied to the common area.

1 Article 2. Assessment Payment and Delinquency

2
3 6808. (a) A regular or special assessment and any late charges,
4 reasonable fees and costs of collection, reasonable attorney's fees,
5 if any, and interest, if any, as determined in accordance with
6 subdivision (b), shall be a debt of the owner of the separate interest
7 at the time the assessment or other sums are levied.

8 (b) Associations are hereby exempted from interest-rate
9 limitations imposed by Article XV of the California Constitution,
10 subject to the limitations of this section.

11 6810. (a) When an owner of a separate interest makes a
12 payment toward an assessment, the owner may request a receipt
13 and the association shall provide it. The receipt shall indicate the
14 date of payment and the person who received it.

15 (b) The association shall provide a mailing address for overnight
16 payment of assessments.

17 6812. At least 30 days prior to recording a lien upon the
18 separate interest of the owner of record to collect a debt that is past
19 due under Section 6808, the association shall notify the owner of
20 record in writing by certified mail of the following:

21 (a) A general description of the collection and lien enforcement
22 procedures of the association and the method of calculation of the
23 amount, a statement that the owner of the separate interest has the
24 right to inspect the association records pursuant to Section 8333
25 of the Corporations Code, and the following statement in 14-point
26 boldface type, if printed, or in capital letters, if typed:

27 "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST
28 IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND
29 IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT
30 COURT ACTION."

31 (b) An itemized statement of the charges owed by the owner,
32 including items on the statement which indicate the amount of any
33 delinquent assessments, the fees and reasonable costs of collection,
34 reasonable attorney's fees, any late charges, and interest, if any.

35 (c) A statement that the owner shall not be liable to pay the
36 charges, interest, and costs of collection, if it is determined the
37 assessment was paid on time to the association.

38 6814. (a) The amount of the assessment, plus any costs of
39 collection, late charges, and interest assessed in accordance with
40 subdivision (b) of Section 6808, shall be a lien on the owner's

1 separate interest in the common interest development from and
2 after the time the association causes to be recorded with the county
3 recorder of the county in which the separate interest is located, a
4 notice of delinquent assessment, which shall state the amount of
5 the assessment and other sums imposed in accordance with
6 subdivision (b) of Section 6808, a legal description of the owner's
7 separate interest in the common interest development against which
8 the assessment and other sums are levied, and the name of the
9 record owner of the separate interest in the common interest
10 development against which the lien is imposed.

11 (b) The itemized statement of the charges owed by the owner
12 described in subdivision (b) of Section 6812 shall be recorded
13 together with the notice of delinquent assessment.

14 (c) In order for the lien to be enforced by nonjudicial foreclosure
15 as provided in Sections 6820 and 6822, the notice of delinquent
16 assessment shall state the name and address of the trustee
17 authorized by the association to enforce the lien by sale.

18 (d) The notice of delinquent assessment shall be signed by the
19 person designated in the declaration or by the association for that
20 purpose, or if no one is designated, by the president of the
21 association.

22 (e) A copy of the recorded notice of delinquent assessment shall
23 be mailed by certified mail to every person whose name is shown
24 as an owner of the separate interest in the association's records,
25 and the notice shall be mailed no later than 10 calendar days after
26 recordation.

27 6816. A lien created pursuant to Section 6814 shall be prior to
28 all other liens recorded subsequent to the notice of delinquent
29 assessment, except that the declaration may provide for the
30 subordination thereof to any other liens and encumbrances.

31 6818. (a) Within 21 days of the payment of the sums specified
32 in the notice of delinquent assessment, the association shall record
33 or cause to be recorded in the office of the county recorder in which
34 the notice of delinquent assessment is recorded a lien release or
35 notice of rescission and provide the owner of the separate interest
36 a copy of the lien release or notice that the delinquent assessment
37 has been satisfied.

38 (b) If it is determined that a lien previously recorded against the
39 separate interest was recorded in error, the party who recorded the
40 lien shall, within 21 calendar days, record or cause to be recorded

1 in the office of the county recorder in which the notice of
2 delinquent assessment is recorded a lien release or notice of
3 rescission and provide the owner of the separate interest with a
4 declaration that the lien filing or recording was in error and a copy
5 of the lien release or notice of rescission.

6 6819. An association that fails to comply with the procedures
7 set forth in this section shall, prior to recording a lien, recommence
8 the required notice process. Any costs associated with
9 recommending the notice process shall be borne by the association
10 and not by the owner of a separate interest.

11 12 Article 3. Assessment Collection 13

14 6820. (a) Except as otherwise provided in this article, after
15 the expiration of 30 days following the recording of a lien created
16 pursuant to Section 6814, the lien may be enforced in any manner
17 permitted by law, including sale by the court, sale by the trustee
18 designated in the notice of delinquent assessment, or sale by a
19 trustee substituted pursuant to Section 2934a.

20 (b) Nothing in Article 2 (commencing with Section 6808) or in
21 subdivision (a) of Section 726 of the Code of Civil Procedure
22 prohibits actions against the owner of a separate interest to recover
23 sums for which a lien is created pursuant to Article 2 (commencing
24 with Section 6808) or prohibits an association from taking a deed
25 in lieu of foreclosure.

26 6822. (a) Any sale by the trustee shall be conducted in
27 accordance with Sections 2924, 2924b, and 2924c applicable to
28 the exercise of powers of sale in mortgages and deeds of trust.

29 (b) In addition to the requirements of Section 2924, the
30 association shall serve a notice of default on the person named as
31 the owner of the separate interest in the association's records or,
32 if that person has designated a legal representative pursuant to this
33 subdivision, on that legal representative. Service shall be in
34 accordance with the manner of service of summons in Article 3
35 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part
36 2 of the Code of Civil Procedure. An owner may designate a legal
37 representative in a writing that is mailed to the association in a
38 manner that indicates that the association has received it.

1 (c) The fees of a trustee may not exceed the amounts prescribed
2 in Sections 2924c and 2924d, plus the cost of service for the notice
3 of default pursuant to subdivision (b).

4 6824. (a) A monetary charge imposed by the association as a
5 means of reimbursing the association for costs incurred by the
6 association in the repair of damage to common area and facilities
7 caused by a member or the member's guest or tenant may become
8 a lien against the member's separate interest enforceable by the
9 sale of the interest under Sections 2924, 2924b, and 2924c,
10 provided the authority to impose a lien is set forth in the governing
11 documents.

12 (b) A monetary penalty imposed by the association as a
13 disciplinary measure for failure of a member to comply with the
14 governing documents, except for the late payments, may not be
15 characterized nor treated in the governing documents as an
16 assessment that may become a lien against the member's separate
17 interest enforceable by the sale of the interest under Sections 2924,
18 2924b, and 2924c.

19 6826. (a) An association may not voluntarily assign or pledge
20 the association's right to collect payments or assessments, or to
21 enforce or foreclose a lien to a third party, except when the
22 assignment or pledge is made to a financial institution or lender
23 chartered or licensed under federal or state law, when acting within
24 the scope of that charter or license, as security for a loan obtained
25 by the association.

26 (b) Nothing in subdivision (a) restricts the right or ability of an
27 association to assign any unpaid obligations of a former member
28 to a third party for purposes of collection.

29 6828. (a) Except as otherwise provided, this article applies to
30 a lien created on or after January 1, 2014.

31 (b) A lien created before January 1, 2014, is governed by the
32 law in existence at the time the lien was created.

33
34 CHAPTER 8. INSURANCE AND LIABILITY
35

36 6840. (a) It is the intent of the Legislature to offer civil liability
37 protection to owners of the separate interests in a common interest
38 development that have common area owned in tenancy-in-common
39 if the association carries a certain level of prescribed insurance
40 that covers a cause of action in tort.

(b) Any cause of action in tort against any owner of a separate interest arising solely by reason of an ownership interest as a tenant in common in the common area of a common interest development shall be brought only against the association and not against the individual owners of the separate interests, if both of the insurance requirements in paragraphs (1) and (2) are met:

(1) The association maintained and has in effect for this cause of action, one or more policies of insurance that include coverage for general liability of the association.

(2) The coverage described in paragraph (1) is in the following minimum amounts:

(A) At least two million dollars (\$2,000,000) if the common interest development consists of 100 or fewer separate interests.

(B) At least three million dollars (\$3,000,000) if the common interest development consists of more than 100 separate interests.

CHAPTER 9. DISPUTE RESOLUTION AND ENFORCEMENT

Article 1. Disciplinary Action

6850. (a) If an association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents, including any monetary penalty relating to the activities of a guest or tenant of the member, the board shall adopt and distribute to each member, by individual notice, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents.

(b) Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Section 6553.

(c) A monetary penalty for a violation of the governing documents shall not exceed the monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation.

(d) An association shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any member on request.

1 6854. Nothing in Section 6850 shall be construed to create,
2 expand, or reduce the authority of the board to impose monetary
3 penalties on a member for a violation of the governing documents.

4
5 Article 2. Civil Actions
6

7 6856. (a) The covenants and restrictions in the declaration
8 shall be enforceable equitable servitudes, unless unreasonable, and
9 shall inure to the benefit of and bind all owners of separate interests
10 in the development. Unless the declaration states otherwise, these
11 servitudes may be enforced by any owner of a separate interest or
12 by the association, or by both.

13 (b) A governing document other than the declaration may be
14 enforced by the association against an owner of a separate interest
15 or by an owner of a separate interest against the association.

16 6858. An association has standing to institute, defend, settle,
17 or intervene in litigation, arbitration, mediation, or administrative
18 proceedings in its own name as the real party in interest and without
19 joining with it, the members, in matters pertaining to the following:

20 (a) Enforcement of the governing documents.

21 (b) Damage to the common area.

22 (c) Damage to a separate interest that the association is obligated
23 to maintain or repair.

24 (d) Damage to a separate interest that arises out of, or is
25 integrally related to, damage to the common area or a separate
26 interest that the association is obligated to maintain or repair.

27 6860. (a) In an action maintained by an association pursuant
28 to subdivision (b), (c), or (d) of Section 6858, the amount of
29 damages recovered by the association shall be reduced by the
30 amount of damages allocated to the association or its managing
31 agents in direct proportion to their percentage of fault based upon
32 principles of comparative fault. The comparative fault of the
33 association or its managing agents may be raised by way of
34 defense, but shall not be the basis for a cross-action or separate
35 action against the association or its managing agents for
36 contribution or implied indemnity, where the only damage was
37 sustained by the association or its members. It is the intent of the
38 Legislature in enacting this subdivision to require that comparative
39 fault be pleaded as an affirmative defense, rather than a separate

1 cause of action, where the only damage was sustained by the
2 association or its members.

3 (b) In an action involving damages described in subdivision (b),
4 (c), or (d) of Section 6858, the defendant or cross-defendant may
5 allege and prove the comparative fault of the association or its
6 managing agents as a setoff to the liability of the defendant or
7 cross-defendant even if the association is not a party to the
8 litigation or is no longer a party whether by reason of settlement,
9 dismissal, or otherwise.

10 (c) Subdivisions (a) and (b) apply to actions commenced on or
11 after January 1, 1993.

12 (d) Nothing in this section affects a person's liability under
13 Section 1431, or the liability of the association or its managing
14 agent for an act or omission that causes damages to another.

15
16 CHAPTER 10. CONSTRUCTION DEFECT LITIGATION
17

18 6870. (a) Before an association files a complaint for damages
19 against a builder, developer, or general contractor (respondent) of
20 a common interest development based upon a claim for defects in
21 the design or construction of the common interest development,
22 all of the requirements of this section shall be satisfied with respect
23 to the builder, developer, or general contractor.

24 (b) The association shall serve upon the respondent a "Notice
25 of Commencement of Legal Proceedings." The notice shall be
26 served by certified mail to the registered agent of the respondent,
27 or if there is no registered agent, then to any officer of the
28 respondent. If there are no current officers of the respondent,
29 service shall be upon the person or entity otherwise authorized by
30 law to receive service of process. Service upon the general
31 contractor shall be sufficient to initiate the process set forth in this
32 section with regard to any builder or developer, if the builder or
33 developer is not amenable to service of process by the foregoing
34 methods. This notice shall toll all applicable statutes of limitation
35 and repose, whether contractual or statutory, by and against all
36 potentially responsible parties, regardless of whether they were
37 named in the notice, including claims for indemnity applicable to
38 the claim for the period set forth in subdivision (c). The notice
39 shall include all of the following:

- 40 (1) The name and location of the project.

1 (2) An initial list of defects sufficient to apprise the respondent
2 of the general nature of the defects at issue.

3 (3) A description of the results of the defects, if known.

4 (4) A summary of the results of a survey or questionnaire
5 distributed to owners to determine the nature and extent of defects,
6 if a survey has been conducted or a questionnaire has been
7 distributed.

8 (5) Either a summary of the results of testing conducted to
9 determine the nature and extent of defects or the actual test results,
10 if that testing has been conducted.

11 (c) Service of the notice shall commence a period, not to exceed
12 180 days, during which the association, the respondent, and all
13 other participating parties shall try to resolve the dispute through
14 the processes set forth in this section. This 180-day period may be
15 extended for one additional period, not to exceed 180 days, only
16 upon the mutual agreement of the association, the respondent, and
17 any parties not deemed peripheral pursuant to paragraph (3) of
18 subdivision (e). Any extensions beyond the first extension shall
19 require the agreement of all participating parties. Unless extended,
20 the dispute resolution process prescribed by this section shall be
21 deemed completed. All extensions shall continue the tolling period
22 described in subdivision (b).

23 (d) Within 25 days of the date the association serves the Notice
24 of Commencement of Legal Proceedings, the respondent may
25 request in writing to meet and confer with the board. Unless the
26 respondent and the association otherwise agree, there shall be not
27 more than one meeting, which shall take place no later than 10
28 days from the date of the respondent's written request, at a mutually
29 agreeable time and place. The meeting may be conducted in
30 executive session, excluding the association's members. The
31 discussions at the meeting are privileged communications and are
32 not admissible in evidence in any civil action, unless the association
33 and the respondent consent in writing to their admission.

34 (e) Upon receipt of the notice, the respondent shall, within 60
35 days, comply with the following:

36 (1) The respondent shall provide the association with access to,
37 for inspection and copying of, all plans and specifications,
38 subcontracts, and other construction files for the project that are
39 reasonably calculated to lead to the discovery of admissible
40 evidence regarding the defects claimed. The association shall

1 provide the respondent with access to, for inspection and copying
2 of, all files reasonably calculated to lead to the discovery of
3 admissible evidence regarding the defects claimed, including all
4 reserve studies, maintenance records and any survey questionnaires,
5 or results of testing to determine the nature and extent of defects.
6 To the extent any of the above documents are withheld based on
7 privilege, a privilege log shall be prepared and submitted to all
8 other parties. All other potentially responsible parties shall have
9 the same rights as the respondent regarding the production of
10 documents upon receipt of written notice of the claim, and shall
11 produce all relevant documents within 60 days of receipt of the
12 notice of the claim.

13 (2) The respondent shall provide written notice by certified mail
14 to all subcontractors, design professionals, their insurers, and the
15 insurers of any additional insured whose identities are known to
16 the respondent or readily ascertainable by review of the project
17 files or other similar sources and whose potential responsibility
18 appears on the face of the notice. This notice to subcontractors,
19 design professionals, and insurers shall include a copy of the Notice
20 of Commencement of Legal Proceedings, and shall specify the
21 date and manner by which the parties shall meet and confer to
22 select a dispute resolution facilitator pursuant to paragraph (1) of
23 subdivision (f), advise the recipient of its obligation to participate
24 in the meet and confer or serve a written acknowledgment of receipt
25 regarding this notice, advise the recipient that it will waive any
26 challenge to selection of the dispute resolution facilitator if it elects
27 not to participate in the meet and confer, advise the recipient that
28 it may seek the assistance of an attorney, and advise the recipient
29 that it should contact its insurer, if any. Any subcontractor or design
30 professional, or insurer for that subcontractor, design professional,
31 or additional insured, who receives written notice from the
32 respondent regarding the meet and confer shall, prior to the meet
33 and confer, serve on the respondent a written acknowledgment of
34 receipt. That subcontractor or design professional shall, within 10
35 days of service of the written acknowledgment of receipt, provide
36 to the association and the respondent a Statement of Insurance that
37 includes both of the following:

38 (A) The names, addresses, and contact persons, if known, of all
39 insurance carriers, whether primary or excess and regardless of
40 whether a deductible or self-insured retention applies, whose

1 policies were in effect from the commencement of construction
2 of the subject project to the present and which potentially cover
3 the subject claims.

4 (B) The applicable policy numbers for each policy of insurance
5 provided.

6 (3) Any subcontractor or design professional, or insurer for that
7 subcontractor, design professional, or additional insured, who so
8 chooses, may, at any time, make a written request to the dispute
9 resolution facilitator for designation as a peripheral party. That
10 request shall be served contemporaneously on the association and
11 the respondent. If no objection to that designation is received within
12 15 days, or upon rejection of that objection, the dispute resolution
13 facilitator shall designate that subcontractor or design professional
14 as a peripheral party, and shall thereafter seek to limit the
15 attendance of that subcontractor or design professional only to
16 those dispute resolution sessions deemed peripheral party sessions
17 or to those sessions during which the dispute resolution facilitator
18 believes settlement as to peripheral parties may be finalized.
19 Nothing in this subdivision shall preclude a party who has been
20 designated a peripheral party from being reclassified as a
21 nonperipheral party, nor shall this subdivision preclude a party
22 designated as a nonperipheral party from being reclassified as a
23 peripheral party after notice to all parties and an opportunity to
24 object. For purposes of this subdivision, a peripheral party is a
25 party having total claimed exposure of less than twenty-five
26 thousand dollars (\$25,000).

27 (f) (1) Within 20 days of sending the notice set forth in
28 paragraph (2) of subdivision (e), the association, respondent,
29 subcontractors, design professionals, and their insurers who have
30 been sent a notice as described in paragraph (2) of subdivision (e)
31 shall meet and confer in an effort to select a dispute resolution
32 facilitator to preside over the mandatory dispute resolution process
33 prescribed by this section. Any subcontractor or design professional
34 who has been given timely notice of this meeting but who does
35 not participate, waives any challenge he or she may have as to the
36 selection of the dispute resolution facilitator. The role of the dispute
37 resolution facilitator is to attempt to resolve the conflict in a fair
38 manner. The dispute resolution facilitator shall be sufficiently
39 knowledgeable in the subject matter and be able to devote sufficient
40 time to the case. The dispute resolution facilitator shall not be

1 required to reside in or have an office in the county in which the
2 project is located. The dispute resolution facilitator and the
3 participating parties shall agree to a date, time, and location to
4 hold a case management meeting of all parties and the dispute
5 resolution facilitator, to discuss the claims being asserted and the
6 scheduling of events under this section. The case management
7 meeting with the dispute resolution facilitator shall be held within
8 100 days of service of the Notice of Commencement of Legal
9 Proceedings at a location in the county where the project is located.
10 Written notice of the case management meeting with the dispute
11 resolution facilitator shall be sent by the respondent to the
12 association, subcontractors and design professionals, and their
13 insurers who are known to the respondent to be on notice of the
14 claim, no later than 10 days prior to the case management meeting,
15 and shall specify its date, time, and location. The dispute resolution
16 facilitator in consultation with the respondent shall maintain a
17 contact list of the participating parties.

18 (2) No later than 10 days prior to the case management meeting,
19 the dispute resolution facilitator shall disclose to the parties all
20 matters that could cause a person aware of the facts to reasonably
21 entertain a doubt that the proposed dispute resolution facilitator
22 would be able to resolve the conflict in a fair manner. The
23 facilitator's disclosure shall include the existence of any ground
24 specified in Section 170.1 of the Code of Civil Procedure for
25 disqualification of a judge, any attorney-client relationship the
26 facilitator has or had with any party or lawyer for a party to the
27 dispute resolution process, and any professional or significant
28 personal relationship the facilitator or his or her spouse or minor
29 child living in the household has or had with any party to the
30 dispute resolution process. The disclosure shall also be provided
31 to any subsequently noticed subcontractor or design professional
32 within 10 days of the notice.

33 (3) A dispute resolution facilitator shall be disqualified by the
34 court if he or she fails to comply with this subdivision and any
35 party to the dispute resolution process serves a notice of
36 disqualification prior to the case management meeting. If the
37 dispute resolution facilitator complies with this subdivision, he or
38 she shall be disqualified by the court on the basis of the disclosure
39 if any party to the dispute resolution process serves a notice of
40 disqualification prior to the case management meeting.

1 (4) If the parties cannot mutually agree to a dispute resolution
2 facilitator, then each party shall submit a list of three dispute
3 resolution facilitators. Each party may then strike one nominee
4 from the other parties' list, and petition the court, pursuant to the
5 procedure described in subdivisions (n) and (o), for final selection
6 of the dispute resolution facilitator. The court may issue an order
7 for final selection of the dispute resolution facilitator pursuant to
8 this paragraph.

9 (5) Any subcontractor or design professional who receives notice
10 of the association's claim without having previously received
11 timely notice of the meet and confer to select the dispute resolution
12 facilitator shall be notified by the respondent regarding the name,
13 address, and telephone number of the dispute resolution facilitator.
14 Any such subcontractor or design professional may serve upon
15 the parties and the dispute resolution facilitator a written objection
16 to the dispute resolution facilitator within 15 days of receiving
17 notice of the claim. Within seven days after service of this
18 objection, the subcontractor or design professional may petition
19 the superior court to replace the dispute resolution facilitator. The
20 court may replace the dispute resolution facilitator only upon a
21 showing of good cause, liberally construed. Failure to satisfy the
22 deadlines set forth in this subdivision shall constitute a waiver of
23 the right to challenge the dispute resolution facilitator.

24 (6) The costs of the dispute resolution facilitator shall be
25 apportioned in the following manner: one-third to be paid by the
26 association; one-third to be paid by the respondent; and one-third
27 to be paid by the subcontractors and design professionals, as
28 allocated among them by the dispute resolution facilitator. The
29 costs of the dispute resolution facilitator shall be recoverable by
30 the prevailing party in any subsequent litigation pursuant to Section
31 1032 of the Code of Civil Procedure, provided however that any
32 nonsettling party may, prior to the filing of the complaint, petition
33 the facilitator to reallocate the costs of the dispute resolution
34 facilitator as they apply to any nonsettling party. The determination
35 of the dispute resolution facilitator with respect to the allocation
36 of these costs shall be binding in any subsequent litigation. The
37 dispute resolution facilitator shall take into account all relevant
38 factors and equities between all parties in the dispute resolution
39 process when reallocating costs.

1 (7) In the event the dispute resolution facilitator is replaced at
2 any time, the case management statement created pursuant to
3 subdivision (h) shall remain in full force and effect.

4 (8) The dispute resolution facilitator shall be empowered to
5 enforce all provisions of this section.

6 (g) (1) No later than the case management meeting, the parties
7 shall begin to generate a data compilation showing the following
8 information regarding the alleged defects at issue:

9 (A) The scope of the work performed by each potentially
10 responsible subcontractor.

11 (B) The tract or phase number in which each subcontractor
12 provided goods or services, or both.

13 (C) The units, either by address, unit number, or lot number, at
14 which each subcontractor provided goods or services, or both.

15 (2) This data compilation shall be updated as needed to reflect
16 additional information. Each party attending the case management
17 meeting, and any subsequent meeting pursuant to this section, shall
18 provide all information available to that party relevant to this data
19 compilation.

20 (h) At the case management meeting, the parties shall, with the
21 assistance of the dispute resolution facilitator, reach agreement on
22 a case management statement, which shall set forth all of the
23 elements set forth in paragraphs (1) to (8), inclusive, except that
24 the parties may dispense with one or more of these elements if
25 they agree that it is appropriate to do so. The case management
26 statement shall provide that the following elements shall take place
27 in the following order:

28 (1) Establishment of a document depository, located in the
29 county where the project is located, for deposit of documents,
30 defect lists, demands, and other information provided for under
31 this section. All documents exchanged by the parties and all
32 documents created pursuant to this subdivision shall be deposited
33 in the document depository, which shall be available to all parties
34 throughout the prefiling dispute resolution process and in any
35 subsequent litigation. When any document is deposited in the
36 document depository, the party depositing the document shall
37 provide written notice identifying the document to all other parties.
38 The costs of maintaining the document depository shall be
39 apportioned among the parties in the same manner as the costs of
40 the dispute resolution facilitator.

1 (2) Provision of a more detailed list of defects by the association
2 to the respondent after the association completes a visual inspection
3 of the project. This list of defects shall provide sufficient detail
4 for the respondent to ensure that all potentially responsible
5 subcontractors and design professionals are provided with notice
6 of the dispute resolution process. If not already completed prior
7 to the case management meeting, the Notice of Commencement
8 of Legal Proceedings shall be served by the respondent on all
9 additional subcontractors and design professionals whose potential
10 responsibility appears on the face of the more detailed list of
11 defects within seven days of receipt of the more detailed list. The
12 respondent shall serve a copy of the case management statement,
13 including the name, address, and telephone number of the dispute
14 resolution facilitator, to all the potentially responsible
15 subcontractors and design professionals at the same time.

16 (3) Nonintrusive visual inspection of the project by the
17 respondent, subcontractors, and design professionals.

18 (4) Invasive testing conducted by the association, if the
19 association deems appropriate. All parties may observe and
20 photograph any testing conducted by the association pursuant to
21 this paragraph, but may not take samples or direct testing unless,
22 by mutual agreement, costs of testing are shared by the parties.

23 (5) Provision by the association of a comprehensive demand
24 which provides sufficient detail for the parties to engage in
25 meaningful dispute resolution as contemplated under this section.

26 (6) Invasive testing conducted by the respondent, subcontractors,
27 and design professionals, if they deem appropriate.

28 (7) Allowance for modification of the demand by the association
29 if new issues arise during the testing conducted by the respondent,
30 subcontractor, or design professionals.

31 (8) Facilitated dispute resolution of the claim, with all parties,
32 including peripheral parties, as appropriate, and insurers, if any,
33 present and having settlement authority. The dispute resolution
34 facilitators shall endeavor to set specific times for the attendance
35 of specific parties at dispute resolution sessions. If the dispute
36 resolution facilitator does not set specific times for the attendance
37 of parties at dispute resolution sessions, the dispute resolution
38 facilitator shall permit those parties to participate in dispute
39 resolution sessions by telephone.

1 (i) In addition to the foregoing elements of the case management
2 statement described in subdivision (h), upon mutual agreement of
3 the parties, the dispute resolution facilitator may include any or
4 all of the following elements in a case management statement: the
5 exchange of consultant or expert photographs; expert presentations;
6 expert meetings; or any other mechanism deemed appropriate by
7 the parties in the interest of resolving the dispute.

8 (j) The dispute resolution facilitator, with the guidance of the
9 parties, shall at the time the case management statement is
10 established, set deadlines for the occurrence of each event set forth
11 in the case management statement, taking into account such factors
12 as the size and complexity of the case, and the requirement of this
13 section that this dispute resolution process not exceed 180 days
14 absent agreement of the parties to an extension of time.

15 (k) (1) At a time to be determined by the dispute resolution
16 facilitator, the respondent may submit to the association all of the
17 following:

18 (A) A request to meet with the board to discuss a written
19 settlement offer.

20 (B) A written settlement offer, and a concise explanation of the
21 reasons for the terms of the offer.

22 (C) A statement that the respondent has access to sufficient
23 funds to satisfy the conditions of the settlement offer.

24 (D) A summary of the results of testing conducted for the
25 purposes of determining the nature and extent of defects, if this
26 testing has been conducted, unless the association provided the
27 respondent with actual test results.

28 (2) If the respondent does not timely submit the items required
29 by this subdivision, the association shall be relieved of any further
30 obligation to satisfy the requirements of this subdivision only.

31 (3) No less than 10 days after the respondent submits the items
32 required by this paragraph, the respondent and the board shall meet
33 and confer about the respondent's settlement offer.

34 (4) If the board rejects a settlement offer presented at the
35 meeting held pursuant to this subdivision, the board shall hold a
36 meeting open to each member of the association. The meeting
37 shall be held no less than 15 days before the association
38 commences an action for damages against the respondent.

1 (5) No less than 15 days before this meeting is held, a written
2 notice shall be sent to each member of the association specifying
3 all of the following:

4 (A) That a meeting will take place to discuss problems that may
5 lead to the filing of a civil action, and the time and place of this
6 meeting.

7 (B) The options that are available to address the problems,
8 including the filing of a civil action and a statement of the various
9 alternatives that are reasonably foreseeable by the association to
10 pay for those options and whether these payments are expected to
11 be made from the use of reserve account funds or the imposition
12 of regular or special assessments, or emergency assessment
13 increases.

14 (C) The complete text of any written settlement offer, and a
15 concise explanation of the specific reasons for the terms of the
16 offer submitted to the board at the meeting held pursuant to
17 subdivision (d) that was received from the respondent.

18 (6) The respondent shall pay all expenses attributable to sending
19 the settlement offer to all members of the association. The
20 respondent shall also pay the expense of holding the meeting, not
21 to exceed three dollars (\$3) per association member.

22 (7) The discussions at the meeting and the contents of the notice
23 and the items required to be specified in the notice pursuant to
24 paragraph (5) are privileged communications and are not admissible
25 in evidence in any civil action, unless the association consents to
26 their admission.

27 (8) No more than one request to meet and discuss a written
28 settlement offer may be made by the respondent pursuant to this
29 subdivision.

30 (l) All defect lists and demands, communications, negotiations,
31 and settlement offers made in the course of the prelitigation dispute
32 resolution process provided by this section shall be inadmissible
33 pursuant to Sections 1119 to 1124, inclusive, of the Evidence Code
34 and all applicable decisional law. This inadmissibility shall not be
35 extended to any other documents or communications which would
36 not otherwise be deemed inadmissible.

37 (m) Any subcontractor or design professional may, at any time,
38 petition the dispute resolution facilitator to release that party from
39 the dispute resolution process upon a showing that the
40 subcontractor or design professional is not potentially responsible

1 for the defect claims at issue. The petition shall be served
2 contemporaneously on all other parties, who shall have 15 days
3 from the date of service to object. If a subcontractor or design
4 professional is released, and it later appears to the dispute
5 resolution facilitator that it may be a responsible party in light of
6 the current defect list or demand, the respondent shall renote the
7 party as provided by paragraph (2) of subdivision (e), provide a
8 copy of the current defect list or demand, and direct the party to
9 attend a dispute resolution session at a stated time and location. A
10 party who subsequently appears after having been released by the
11 dispute resolution facilitator shall not be prejudiced by its absence
12 from the dispute resolution process as the result of having been
13 previously released by the dispute resolution facilitator.

14 (n) Any party may, at any time, petition the superior court in
15 the county where the project is located, upon a showing of good
16 cause, and the court may issue an order, for any of the following,
17 or for appointment of a referee to resolve a dispute regarding any
18 of the following:

19 (1) To take a deposition of any party to the process, or subpoena
20 a third party for deposition or production of documents, which is
21 necessary to further prelitigation resolution of the dispute.

22 (2) To resolve any disputes concerning inspection, testing,
23 production of documents, or exchange of information provided
24 for under this section.

25 (3) To resolve any disagreements relative to the timing or
26 contents of the case management statement.

27 (4) To authorize internal extensions of timeframes set forth in
28 the case management statement.

29 (5) To seek a determination that a settlement is a good faith
30 settlement pursuant to Section 877.6 of the Code of Civil Procedure
31 and all related authorities. The page limitations and meet and confer
32 requirements specified in this section shall not apply to these
33 motions, which may be made on shortened notice. Instead, these
34 motions shall be subject to other applicable state law, rules of
35 court, and local rules. A determination made by the court pursuant
36 to this motion shall have the same force and effect as the
37 determination of a postfiling application or motion for good faith
38 settlement.

1 (6) To ensure compliance, on shortened notice, with the
2 obligation to provide a Statement of Insurance pursuant to
3 paragraph (2) of subdivision (e).

4 (7) For any other relief appropriate to the enforcement of the
5 provisions of this section, including the ordering of parties, and
6 insurers, if any, to the dispute resolution process with settlement
7 authority.

8 (o) (1) A petition filed pursuant to subdivision (n) shall be filed
9 in the superior court in the county in which the project is located.
10 The court shall hear and decide the petition within 10 days after
11 filing. The petitioning party shall serve the petition on all parties,
12 including the date, time, and location of the hearing no later than
13 five business days prior to the hearing. Any responsive papers
14 shall be filed and served no later than three business days prior to
15 the hearing. Any petition or response filed under this section shall
16 be no more than three pages in length.

17 (2) All parties shall meet with the dispute resolution facilitator,
18 if one has been appointed and confer in person or by the telephone
19 prior to the filing of that petition to attempt to resolve the matter
20 without requiring court intervention.

21 (p) As used in this section:

22 (1) "Association" shall have the same meaning as defined in
23 Section 6528.

24 (2) "Builder" means the declarant, as defined in Section 6544.

25 (3) "Common interest development" shall have the same
26 meaning as in Section 6534, except that it shall not include
27 developments or projects with less than 20 units.

28 (q) The alternative dispute resolution process and procedures
29 described in this section shall have no application or legal effect
30 other than as described in this section.

31 (r) This section shall become operative on July 1, 2002, however
32 it shall not apply to any pending suit or claim for which notice has
33 previously been given.

34 (s) This section shall become inoperative on July 1, 2017, and,
35 as of January 1, 2018, is repealed, unless a later enacted statute,
36 that becomes operative on or before January 1, 2018, deletes or
37 extends the dates on which it becomes inoperative and is repealed.

38 6874. (a) As soon as is reasonably practicable after the
39 association and the builder have entered into a settlement
40 agreement or the matter has otherwise been resolved regarding

1 alleged defects in the common areas, alleged defects in the separate
2 interests that the association is obligated to maintain or repair, or
3 alleged defects in the separate interests that arise out of, or are
4 integrally related to, defects in the common areas or separate
5 interests that the association is obligated to maintain or repair,
6 where the defects giving rise to the dispute have not been corrected,
7 the association shall, in writing, inform only the members of the
8 association whose names appear on the records of the association
9 that the matter has been resolved, by settlement agreement or other
10 means, and disclose all of the following:

11 (1) A general description of the defects that the association
12 reasonably believes, as of the date of the disclosure, will be
13 corrected or replaced.

14 (2) A good faith estimate, as of the date of the disclosure, of
15 when the association believes that the defects identified in
16 paragraph (1) will be corrected or replaced. The association may
17 state that the estimate may be modified.

18 (3) The status of the claims for defects in the design or
19 construction of the common interest development that were not
20 identified in paragraph (1) whether expressed in a preliminary list
21 of defects sent to each member of the association or otherwise
22 claimed and disclosed to the members of the association.

23 (b) Nothing in this section shall preclude an association from
24 amending the disclosures required pursuant to subdivision (a), and
25 any amendments shall supersede any prior conflicting information
26 disclosed to the members of the association and shall retain any
27 privilege attached to the original disclosures.

28 (c) Disclosure of the information required pursuant to
29 subdivision (a) or authorized by subdivision (b) shall not waive
30 any privilege attached to the information.

31 (d) For the purposes of the disclosures required pursuant to this
32 section, the term “defects” shall be defined to include any damage
33 resulting from defects.

34 6876. (a) Not later than 30 days prior to the filing of any civil
35 action by the association against the declarant or other developer
36 of a common interest development for alleged damage to the
37 common areas, alleged damage to the separate interests that the
38 association is obligated to maintain or repair, or alleged damage
39 to the separate interests that arises out of, or is integrally related
40 to, damage to the common areas or separate interests that the

1 association is obligated to maintain or repair, the board shall
2 provide a written notice to each member of the association who
3 appears on the records of the association when the notice is
4 provided. This notice shall specify all of the following:

5 (1) That a meeting will take place to discuss problems that may
6 lead to the filing of a civil action.

7 (2) The options, including civil actions, that are available to
8 address the problems.

9 (3) The time and place of this meeting.

10 (b) Notwithstanding subdivision (a), if the association has reason
11 to believe that the applicable statute of limitations will expire
12 before the association files the civil action, the association may
13 give the notice, as described above, within 30 days after the filing
14 of the action.

15 SEC. 20. Section 86 of the Code of Civil Procedure, as
16 amended by Section 42 of Chapter 181 of the Statutes of 2012, is
17 amended to read:

18 86. (a) The following civil cases and proceedings are limited
19 civil cases:

20 (1) A case at law in which the demand, exclusive of interest, or
21 the value of the property in controversy amounts to twenty-five
22 thousand dollars (\$25,000) or less. This paragraph does not apply
23 to a case that involves the legality of any tax, impost, assessment,
24 toll, or municipal fine, except an action to enforce payment of
25 delinquent unsecured personal property taxes if the legality of the
26 tax is not contested by the defendant.

27 (2) An action for dissolution of partnership where the total assets
28 of the partnership do not exceed twenty-five thousand dollars
29 (\$25,000); an action of interpleader where the amount of money
30 or the value of the property involved does not exceed twenty-five
31 thousand dollars (\$25,000).

32 (3) An action to cancel or rescind a contract when the relief is
33 sought in connection with an action to recover money not
34 exceeding twenty-five thousand dollars (\$25,000) or property of
35 a value not exceeding twenty-five thousand dollars (\$25,000), paid
36 or delivered under, or in consideration of, the contract; an action
37 to revise a contract where the relief is sought in an action upon the
38 contract if the action otherwise is a limited civil case.

1 (4) A proceeding in forcible entry or forcible or unlawful
2 detainer where the whole amount of damages claimed is
3 twenty-five thousand dollars (\$25,000) or less.

4 (5) An action to enforce and foreclose a lien on personal
5 property where the amount of the lien is twenty-five thousand
6 dollars (\$25,000) or less.

7 (6) An action to enforce and foreclose, or a petition to release,
8 a lien arising under the provisions of Chapter 4 (commencing with
9 Section 8400) of Title 2 of Part 6 of Division 4 of the Civil Code,
10 or to enforce and foreclose an assessment lien on a common interest
11 development as defined in Section 4100 *or* 6534 of the Civil Code,
12 where the amount of the liens is twenty-five thousand dollars
13 (\$25,000) or less. However, if an action to enforce the lien affects
14 property that is also affected by a similar pending action that is
15 not a limited civil case, or if the total amount of liens sought to be
16 foreclosed against the same property aggregates an amount in
17 excess of twenty-five thousand dollars (\$25,000), the action is not
18 a limited civil case.

19 (7) An action for declaratory relief when brought pursuant to
20 either of the following:

21 (A) By way of cross-complaint as to a right of indemnity with
22 respect to the relief demanded in the complaint or a cross-complaint
23 in an action or proceeding that is otherwise a limited civil case.

24 (B) To conduct a trial after a nonbinding fee arbitration between
25 an attorney and client, pursuant to Article 13 (commencing with
26 Section 6200) of Chapter 4 of Division 3 of the Business and
27 Professions Code, where the amount in controversy is twenty-five
28 thousand dollars (\$25,000) or less.

29 (8) An action to issue a temporary restraining order or
30 preliminary injunction; to take an account, where necessary to
31 preserve the property or rights of any party to a limited civil case;
32 to make any order or perform any act, pursuant to Title 9
33 (commencing with Section 680.010) of Part 2 (enforcement of
34 judgments) in a limited civil case; to appoint a receiver pursuant
35 to Section 564 in a limited civil case; to determine title to personal
36 property seized in a limited civil case.

37 (9) An action under Article 3 (commencing with Section
38 708.210) of Chapter 6 of Division 2 of Title 9 of Part 2 for the
39 recovery of an interest in personal property or to enforce the
40 liability of the debtor of a judgment debtor where the interest

1 claimed adversely is of a value not exceeding twenty-five thousand
2 dollars (\$25,000) or the debt denied does not exceed twenty-five
3 thousand dollars (\$25,000).

4 (10) An arbitration-related petition filed pursuant to either of
5 the following:

6 (A) Article 2 (commencing with Section 1292) of Chapter 5 of
7 Title 9 of Part 3, except for uninsured motorist arbitration
8 proceedings in accordance with Section 11580.2 of the Insurance
9 Code, if the petition is filed before the arbitration award becomes
10 final and the matter to be resolved by arbitration is a limited civil
11 case under paragraphs (1) to (9), inclusive, of subdivision (a) or
12 if the petition is filed after the arbitration award becomes final and
13 the amount of the award and all other rulings, pronouncements,
14 and decisions made in the award are within paragraphs (1) to (9),
15 inclusive, of subdivision (a).

16 (B) To confirm, correct, or vacate a fee arbitration award
17 between an attorney and client that is binding or has become
18 binding, pursuant to Article 13 (commencing with Section 6200)
19 of Chapter 4 of Division 3 of the Business and Professions Code,
20 where the arbitration award is twenty-five thousand dollars
21 (\$25,000) or less.

22 (b) The following cases in equity are limited civil cases:

23 (1) A case to try title to personal property when the amount
24 involved is not more than twenty-five thousand dollars (\$25,000).

25 (2) A case when equity is pleaded as a defensive matter in any
26 case that is otherwise a limited civil case.

27 (3) A case to vacate a judgment or order of the court obtained
28 in a limited civil case through extrinsic fraud, mistake,
29 inadvertence, or excusable neglect.

30 SEC. 21. Section 116.540 of the Code of Civil Procedure, as
31 amended by Section 43 of Chapter 181 of the Statutes of 2012, is
32 amended to read:

33 116.540. (a) Except as permitted by this section, no individual
34 other than the plaintiff and the defendant may take part in the
35 conduct or defense of a small claims action.

36 (b) Except as additionally provided in subdivision (i), a
37 corporation may appear and participate in a small claims action
38 only through a regular employee, or a duly appointed or elected
39 officer or director, who is employed, appointed, or elected for

1 purposes other than solely representing the corporation in small
2 claims court.

3 (c) A party who is not a corporation or a natural person may
4 appear and participate in a small claims action only through a
5 regular employee, or a duly appointed or elected officer or director,
6 or in the case of a partnership, a partner, engaged for purposes
7 other than solely representing the party in small claims court.

8 (d) If a party is an individual doing business as a sole
9 proprietorship, the party may appear and participate in a small
10 claims action by a representative and without personally appearing
11 if both of the following conditions are met:

12 (1) The claim can be proved or disputed by evidence of an
13 account that constitutes a business record as defined in Section
14 1271 of the Evidence Code, and there is no other issue of fact in
15 the case.

16 (2) The representative is a regular employee of the party for
17 purposes other than solely representing the party in small claims
18 actions and is qualified to testify to the identity and mode of
19 preparation of the business record.

20 (e) A plaintiff is not required to personally appear, and may
21 submit declarations to serve as evidence supporting his or her claim
22 or allow another individual to appear and participate on his or her
23 behalf, if (1) the plaintiff is serving on active duty in the United
24 States Armed Forces outside this state, (2) the plaintiff was
25 assigned to his or her duty station after his or her claim arose, (3)
26 the assignment is for more than six months, (4) the representative
27 is serving without compensation, and (5) the representative has
28 appeared in small claims actions on behalf of others no more than
29 four times during the calendar year. The defendant may file a claim
30 in the same action in an amount not to exceed the jurisdictional
31 limits stated in Sections 116.220, 116.221, and 116.231.

32 (f) A party incarcerated in a county jail, a Department of
33 Corrections and Rehabilitation facility, or a Division of Juvenile
34 Facilities facility is not required to personally appear, and may
35 submit declarations to serve as evidence supporting his or her
36 claim, or may authorize another individual to appear and participate
37 on his or her behalf if that individual is serving without
38 compensation and has appeared in small claims actions on behalf
39 of others no more than four times during the calendar year.

1 (g) A defendant who is a nonresident owner of real property
2 may defend against a claim relating to that property without
3 personally appearing by (1) submitting written declarations to
4 serve as evidence supporting his or her defense, (2) allowing
5 another individual to appear and participate on his or her behalf if
6 that individual is serving without compensation and has appeared
7 in small claims actions on behalf of others no more than four times
8 during the calendar year, or (3) taking the action described in both
9 (1) and (2).

10 (h) A party who is an owner of rental real property may appear
11 and participate in a small claims action through a property agent
12 under contract with the owner to manage the rental of that property,
13 if (1) the owner has retained the property agent principally to
14 manage the rental of that property and not principally to represent
15 the owner in small claims court, and (2) the claim relates to the
16 rental property.

17 (i) A party that is an association created to manage a common
18 interest development, as defined in Section 4100 *or in Sections*
19 *6528 and 6534* of the Civil Code, may appear and participate in a
20 small claims action through an agent, a management company
21 representative, or bookkeeper who appears on behalf of that
22 association.

23 (j) At the hearing of a small claims action, the court shall require
24 any individual who is appearing as a representative of a party under
25 subdivisions (b) to (i), inclusive, to file a declaration stating (1)
26 that the individual is authorized to appear for the party, and (2)
27 the basis for that authorization. If the representative is appearing
28 under subdivision (b), (c), (d), (h), or (i), the declaration also shall
29 state that the individual is not employed solely to represent the
30 party in small claims court. If the representative is appearing under
31 subdivision (e), (f), or (g), the declaration also shall state that the
32 representative is serving without compensation, and has appeared
33 in small claims actions on behalf of others no more than four times
34 during the calendar year.

35 (k) A husband or wife who sues or who is sued with his or her
36 spouse may appear and participate on behalf of his or her spouse
37 if (1) the claim is a joint claim, (2) the represented spouse has
38 given his or her consent, and (3) the court determines that the
39 interests of justice would be served.

1 (l) If the court determines that a party cannot properly present
2 his or her claim or defense and needs assistance, the court may in
3 its discretion allow another individual to assist that party.

4 (m) Nothing in this section shall operate or be construed to
5 authorize an attorney to participate in a small claims action except
6 as expressly provided in Section 116.530.

7 SEC. 22. Section 12191 of the Government Code is amended
8 to read:

9 12191. The miscellaneous business entity filing fees are the
10 following:

11 (a) Foreign Associations, as defined in Sections 170 and 171
12 of the Corporations Code:

13 (1) Filing the statement and designation upon the qualification
14 of a foreign association pursuant to Section 2105 of the
15 Corporations Code: One hundred dollars (\$100).

16 (2) Filing an amended statement and designation by a foreign
17 association pursuant to Section 2107 of the Corporations Code:
18 Thirty dollars (\$30).

19 (3) Filing a certificate showing the surrender of the right of a
20 foreign association to transact intrastate business pursuant to
21 Section 2112 of the Corporations Code: No fee.

22 (b) Unincorporated Associations:

23 (1) Filing a statement in accordance with Section 18200 of the
24 Corporations Code as to principal place of office or place for
25 sending notices or designating agent for service: Twenty-five
26 dollars (\$25).

27 (2) Insignia Registrations: Ten dollars (\$10).

28 (c) Community Associations and Common Interest
29 Developments:

30 (1) Filing a statement by a community association in accordance
31 with Section ~~1363.6~~ 5405 or 6760 of the Civil Code to register the
32 common interest development that it manages: An amount not to
33 exceed thirty dollars (\$30).

34 (2) Filing an amended statement by a community association
35 in accordance with Section ~~1363.6~~ 5405 or 6760 of the Civil Code:
36 No fee.

37 SEC. 23. Section 12956.1 of the Government Code, as amended
38 by Section 49 of Chapter 181 of the Statutes of 2012, is amended
39 to read:

1 12956.1. (a) As used in this section, “association,” “governing
2 documents,” and “declaration” have the same meanings as set forth
3 in Sections 4080, 4135, and 4150 *or Sections 6528, 6546, and*
4 *6552* of the Civil Code.

5 (b) (1) A county recorder, title insurance company, escrow
6 company, real estate broker, real estate agent, or association that
7 provides a copy of a declaration, governing document, or deed to
8 any person shall place a cover page or stamp on the first page of
9 the previously recorded document or documents stating, in at least
10 14-point boldface type, the following:

11 “If this document contains any restriction based on race, color,
12 religion, sex, gender, gender identity, gender expression, sexual
13 orientation, familial status, marital status, disability, genetic
14 information, national origin, source of income as defined in
15 subdivision (p) of Section 12955, or ancestry, that restriction
16 violates state and federal fair housing laws and is void, and may
17 be removed pursuant to Section 12956.2 of the Government Code.
18 Lawful restrictions under state and federal law on the age of
19 occupants in senior housing or housing for older persons shall not
20 be construed as restrictions based on familial status.”

21 (2) The requirements set forth in of paragraph (1) shall not apply
22 to documents being submitted for recordation to a county recorder.

23 (c) Any person who records a document for the express purpose
24 of adding a racially restrictive covenant is guilty of a misdemeanor.
25 The county recorder shall not incur any liability for recording the
26 document. Notwithstanding any other provision of law, a
27 prosecution for a violation of this subdivision shall commence
28 within three years after the discovery of the recording of the
29 document.

30 SEC. 24. Section 12956.2 of the Government Code, as amended
31 by Section 50 of Chapter 181 of the Statutes of 2012, is amended
32 to read:

33 12956.2. (a) A person who holds an ownership interest of
34 record in property that he or she believes is the subject of an
35 unlawfully restrictive covenant in violation of subdivision (l) of
36 Section 12955 may record a document titled Restrictive Covenant
37 Modification. The county recorder may choose to waive the fee
38 prescribed for recording and indexing instruments pursuant to
39 Section 27361 in the case of the modification document provided
40 for in this section. The modification document shall include a

1 complete copy of the original document containing the unlawfully
2 restrictive language with the unlawfully restrictive language
3 stricken.

4 (b) Before recording the modification document, the county
5 recorder shall submit the modification document and the original
6 document to the county counsel who shall determine whether the
7 original document contains an unlawful restriction based on race,
8 color, religion, sex, gender, gender identity, gender expression,
9 sexual orientation, familial status, marital status, disability, national
10 origin, source of income as defined in subdivision (p) of Section
11 12955, or ancestry. The county counsel shall return the documents
12 and inform the county recorder of its determination. The county
13 recorder shall refuse to record the modification document if the
14 county counsel finds that the original document does not contain
15 an unlawful restriction as specified in this paragraph.

16 (c) The modification document shall be indexed in the same
17 manner as the original document being modified. It shall contain
18 a recording reference to the original document in the form of a
19 book and page or instrument number, and date of the recording.

20 (d) Subject to covenants, conditions, and restrictions that were
21 recorded after the recording of the original document that contains
22 the unlawfully restrictive language and subject to covenants,
23 conditions, and restrictions that will be recorded after the
24 Restrictive Covenant Modification, the restrictions in the
25 Restrictive Covenant Modification, once recorded, are the only
26 restrictions having effect on the property. The effective date of the
27 terms and conditions of the modification document shall be the
28 same as the effective date of the original document.

29 (e) The county recorder shall make available to the public
30 Restrictive Covenant Modification forms.

31 (f) If the holder of an ownership interest of record in property
32 causes to be recorded a modified document pursuant to this section
33 that contains modifications not authorized by this section, the
34 county recorder shall not incur liability for recording the document.
35 The liability that may result from the unauthorized recordation is
36 the sole responsibility of the holder of the ownership interest of
37 record who caused the modified recordation.

38 (g) This section does not apply to persons holding an ownership
39 interest in property that is part of a common interest development
40 as defined in Section 4100 *or* 6534 of the Civil Code if the board

1 of directors of that common interest development is subject to the
2 requirements of subdivision (b) of Section 4225 *or of subdivision*
3 *(b) of Section 6606* of the Civil Code.

4 SEC. 25. Section 53341.5 of the Government Code, as amended
5 by Section 51 of Chapter 181 of the Statutes of 2012, is amended
6 to read:

7 53341.5. (a) If a lot, parcel, or unit of a subdivision is subject
8 to a special tax levied pursuant to this chapter, the subdivider, his
9 or her agent, or representative, shall not sell, or lease for a term
10 exceeding five years, or permit a prospective purchaser or lessor
11 to sign a contract of purchase or a deposit receipt or any
12 substantially equivalent document in the event of a lease with
13 respect to the lot, parcel, or unit, or cause it to be sold or leased
14 for a term exceeding five years, until the prospective purchaser or
15 lessee of the lot, parcel, or unit has been furnished with and has
16 signed a written notice as provided in this section. The notice shall
17 contain the heading "NOTICE OF SPECIAL TAX" in type no
18 smaller than 8-point type, and shall be in substantially the following
19 form. The form may be modified as needed to clearly and
20 accurately describe the tax structure and other characteristics of
21 districts created before January 1, 1993, or to clearly and accurately
22 consolidate information about the tax structure and other
23 characteristics of two or more districts that levy or are authorized
24 to levy special taxes with respect to the lot, parcel, or unit:
25
26

27 NOTICE OF SPECIAL TAX
28 COMMUNITY FACILITIES DISTRICT NO. ____
29 COUNTY OF ____, CALIFORNIA
30

31
32 TO: THE PROSPECTIVE PURCHASER OF THE REAL
33 PROPERTY KNOWN AS:
34

35 _____
36 _____
37

38
39 THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR
40 ENTERING INTO A CONTRACT TO PURCHASE THIS

1 PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS
2 NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO
3 INDICATE THAT YOU HAVE RECEIVED AND READ A
4 COPY OF THIS NOTICE.

5 (1) This property is subject to a special tax, that is in addition
6 to the regular property taxes and any other charges, fees, special
7 taxes, and benefit assessments on the parcel. It is imposed on this
8 property because it is a new development, and is not necessarily
9 imposed generally upon property outside of this new development.
10 If you fail to pay this tax when due each year, the property may
11 be foreclosed upon and sold. The tax is used to provide public
12 facilities or services that are likely to particularly benefit the
13 property. YOU SHOULD TAKE THIS TAX AND THE
14 BENEFITS FROM THE FACILITIES AND SERVICES FOR
15 WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER
16 TO BUY THIS PROPERTY.

17 (2) The maximum special tax that may be levied against this
18 parcel to pay for public facilities is \$_____ during the ____-____
19 tax year. This amount will increase by ____ percent per year after
20 that (if applicable). The special tax will be levied each year until
21 all of the authorized facilities are built and all special tax bonds
22 are repaid, but in any case not after the ____-____ tax year. An
23 additional special tax will be used to pay for ongoing service costs,
24 if applicable. The maximum amount of this tax is _____ dollars
25 (\$_____) during the ____-____ tax year. This amount may increase
26 by _____, if applicable, and that part may be levied until the
27 ____-____ tax year (or forever, as applicable).

28 (3) The authorized facilities that are being paid for by the special
29 taxes, and by the money received from the sale of bonds that are
30 being repaid by the special taxes, are:

31 These facilities may not yet have all been constructed or acquired
32 and it is possible that some may never be constructed or acquired.

33 In addition, the special taxes may be used to pay for costs of the
34 following services:

35 YOU MAY OBTAIN A COPY OF THE RESOLUTION OF
36 FORMATION THAT AUTHORIZED CREATION OF THE
37 COMMUNITY FACILITIES DISTRICT, AND THAT SPECIFIES
38 MORE PRECISELY HOW THE SPECIAL TAX IS
39 APPORTIONED AND HOW THE PROCEEDS OF THE TAX
40 WILL BE USED, FROM THE _____ (name of jurisdiction) BY

1 CALLING ____ (telephone number). THERE MAY BE A
2 CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE
3 REASONABLE COST OF PROVIDING THE DOCUMENT.

4 I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS
5 NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR
6 TO ENTERING INTO A CONTRACT TO PURCHASE OR
7 SIGNING A DEPOSIT RECEIPT WITH RESPECT TO THE
8 ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND
9 THAT I (WE) MAY TERMINATE THE CONTRACT TO
10 PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS
11 AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN
12 FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY
13 GIVING WRITTEN NOTICE OF THAT TERMINATION TO
14 THE OWNER, SUBDIVIDER, OR AGENT SELLING THE
15 PROPERTY.

16
17 DATE: _____
18 _____
19 _____
20 _____

21 (b) “Subdivision,” as used in subdivision (a), means improved
22 or unimproved land that is divided or proposed to be divided for
23 the purpose of sale, lease, or financing, whether immediate or
24 future, into two or more lots, parcels, or units and includes a
25 condominium project, as defined by Section 4125 *or* 6542 of the
26 Civil Code, a community apartment project, a stock cooperative,
27 and a limited-equity housing cooperative, as defined in Sections
28 11004, 11003.2, and 11003.4, respectively, of the Business and
29 Professions Code.

30 (c) The buyer shall have three days after delivery in person or
31 five days after delivery by deposit in the mail of any notice required
32 by this section, to terminate his or her agreement by delivery of
33 written notice of that termination to the owner, subdivider, or agent.

34 (d) The failure to furnish the notice to the buyer or lessee, and
35 failure of the buyer or lessee to sign the notice of a special tax,
36 shall not invalidate any grant, conveyance, lease, or encumbrance.

37 (e) Any person or entity who willfully violates the provisions
38 of this section shall be liable to the purchaser of a lot or unit that
39 is subject to the provisions of this section, for actual damages, and
40 in addition thereto, shall be guilty of a public offense punishable

1 by a fine in an amount not to exceed five hundred dollars (\$500).
2 In an action to enforce a liability or fine, the prevailing party shall
3 be awarded reasonable attorney's fees.

4 SEC. 26. Section 65008 of the Government Code, as amended
5 by Section 52 of Chapter 181 of the Statutes of 2012, is amended
6 to read:

7 65008. (a) Any action pursuant to this title by any city, county,
8 city and county, or other local governmental agency in this state
9 is null and void if it denies to any individual or group of individuals
10 the enjoyment of residence, landownership, tenancy, or any other
11 land use in this state because of any of the following reasons:

12 (1) (A) The lawful occupation, age, or any characteristic of the
13 individual or group of individuals listed in subdivision (a) or (d)
14 of Section 12955, as those bases are defined in Sections 12926,
15 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
16 Section 12955 and Section 12955.2.

17 (B) Notwithstanding subparagraph (A), with respect to familial
18 status, subparagraph (A) shall not be construed to apply to housing
19 for older persons, as defined in Section 12955.9. With respect to
20 familial status, nothing in subparagraph (A) shall be construed to
21 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
22 Civil Code, relating to housing for senior citizens. Subdivision (d)
23 of Section ~~51 and 51~~, Section 4760, *and Section 6714* of the Civil
24 Code, and subdivisions (n), (o), and (p) of Section 12955 of this
25 code shall apply to subparagraph (A).

26 (2) The method of financing of any residential development of
27 the individual or group of individuals.

28 (3) The intended occupancy of any residential development by
29 persons or families of very low, low, moderate, or middle income.

30 (b) (1) No city, county, city and county, or other local
31 governmental agency shall, in the enactment or administration of
32 ordinances pursuant to any law, including this title, prohibit or
33 discriminate against any residential development or emergency
34 shelter for any of the following reasons:

35 (A) Because of the method of financing.

36 (B) (i) Because of the lawful occupation, age, or any
37 characteristic listed in subdivision (a) or (d) of Section 12955, as
38 those characteristics are defined in Sections 12926, 12926.1,
39 subdivision (m) and paragraph (1) of subdivision (p) of Section

1 12955, and Section 12955.2 of the owners or intended occupants
2 of the residential development or emergency shelter.

3 (ii) Notwithstanding clause (i), with respect to familial status,
4 clause (i) shall not be construed to apply to housing for older
5 persons, as defined in Section 12955.9. With respect to familial
6 status, nothing in clause (i) shall be construed to affect Sections
7 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating
8 to housing for senior citizens. Subdivision (d) of Section ~~51~~ and
9 *51*, Section 4760, *and Section 6714* of the Civil Code, and
10 subdivisions (n), (o), and (p) of Section 12955 of this code shall
11 apply to clause (i).

12 (C) Because the development or shelter is intended for
13 occupancy by persons and families of very low, low, or moderate
14 income, as defined in Section 50093 of the Health and Safety Code,
15 or persons and families of middle income.

16 (D) Because the development consists of a multifamily
17 residential project that is consistent with both the jurisdiction's
18 zoning ordinance and general plan as they existed on the date the
19 application was deemed complete, except that a project shall not
20 be deemed to be inconsistent with the zoning designation for the
21 site if that zoning designation is inconsistent with the general plan
22 only because the project site has not been rezoned to conform with
23 a more recently adopted general plan.

24 (2) The discrimination prohibited by this subdivision includes
25 the denial or conditioning of a residential development or shelter
26 because of, in whole or in part, either of the following:

27 (A) The method of financing.

28 (B) The occupancy of the development by persons protected by
29 this subdivision, including, but not limited to, persons and families
30 of very low, low, or moderate income.

31 (3) A city, county, city and county, or other local government
32 agency may not, pursuant to subdivision (d) of Section 65589.5,
33 disapprove a housing development project or condition approval
34 of a housing development project in a manner that renders the
35 project infeasible if the basis for the disapproval or conditional
36 approval includes any of the reasons prohibited in paragraph (1)
37 or (2).

38 (c) For the purposes of this section, "persons and families of
39 middle income" means persons and families whose income does

1 not exceed 150 percent of the median income for the county in
2 which the persons or families reside.

3 (d) (1) No city, county, city and county, or other local
4 governmental agency may impose different requirements on a
5 residential development or emergency shelter that is subsidized,
6 financed, insured, or otherwise assisted by the federal or state
7 government or by a local public entity, as defined in Section 50079
8 of the Health and Safety Code, than those imposed on nonassisted
9 developments, except as provided in subdivision (e). The
10 discrimination prohibited by this subdivision includes the denial
11 or conditioning of a residential development or emergency shelter
12 based in whole or in part on the fact that the development is
13 subsidized, financed, insured, or otherwise assisted as described
14 in this paragraph.

15 (2) (A) No city, county, city and county, or other local
16 governmental agency may, because of the lawful occupation age,
17 or any characteristic of the intended occupants listed in subdivision
18 (a) or (d) of Section 12955, as those characteristics are defined in
19 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
20 subdivision (p) of Section 12955, and Section 12955.2 or because
21 the development is intended for occupancy by persons and families
22 of very low, low, moderate, or middle income, impose different
23 requirements on these residential developments than those imposed
24 on developments generally, except as provided in subdivision (e).

25 (B) Notwithstanding subparagraph (A), with respect to familial
26 status, subparagraph (A) shall not be construed to apply to housing
27 for older persons, as defined in Section 12955.9. With respect to
28 familial status, nothing in subparagraph (A) shall be construed to
29 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the
30 Civil Code, relating to housing for senior citizens. Subdivision (d)
31 of Section ~~51 and 51~~, Section 4760, *and Section 6714* of the Civil
32 Code, and subdivisions (n), (o), and (p) of Section 12955 of this
33 code shall apply to subparagraph (A).

34 (e) Notwithstanding subdivisions (a) to (d), inclusive, this
35 section and this title do not prohibit either of the following:

36 (1) The County of Riverside from enacting and enforcing zoning
37 to provide housing for older persons, in accordance with state or
38 federal law, if that zoning was enacted prior to January 1, 1995.

39 (2) Any city, county, or city and county from extending
40 preferential treatment to residential developments or emergency

1 shelters assisted by the federal or state government or by a local
2 public entity, as defined in Section 50079 of the Health and Safety
3 Code, or other residential developments or emergency shelters
4 intended for occupancy by persons and families of low and
5 moderate income, as defined in Section 50093 of the Health and
6 Safety Code, or persons and families of middle income, or
7 agricultural employees, as defined in subdivision (b) of Section
8 1140.4 of the Labor Code, and their families. This preferential
9 treatment may include, but need not be limited to, reduction or
10 waiver of fees or changes in architectural requirements, site
11 development and property line requirements, building setback
12 requirements, or vehicle parking requirements that reduce
13 development costs of these developments.

14 (f) “Residential development,” as used in this section, means a
15 single-family residence or a multifamily residence, including
16 manufactured homes, as defined in Section 18007 of the Health
17 and Safety Code.

18 (g) This section shall apply to chartered cities.

19 (h) The Legislature finds and declares that discriminatory
20 practices that inhibit the development of housing for persons and
21 families of very low, low, moderate, and middle incomes, or
22 emergency shelters for the homeless, are a matter of statewide
23 concern.

24 SEC. 27. Section 66411 of the Government Code, as amended
25 by Section 55 of Chapter 181 of the Statutes of 2012, is amended
26 to read:

27 66411. Regulation and control of the design and improvement
28 of subdivisions are vested in the legislative bodies of local
29 agencies. Each local agency shall, by ordinance, regulate and
30 control the initial design and improvement of common interest
31 developments as defined in Section 4100 *or* 6534 of the Civil Code
32 and subdivisions for which this division requires a tentative and
33 final or parcel map. In the development, adoption, revision, and
34 application of this type of ordinance, the local agency shall comply
35 with the provisions of Section 65913.2. The ordinance shall
36 specifically provide for proper grading and erosion control,
37 including the prevention of sedimentation or damage to offsite
38 property. Each local agency may by ordinance regulate and control
39 other subdivisions, provided that the regulations are not more
40 restrictive than the regulations for those subdivisions for which a

1 tentative and final or parcel map are required by this division, and
2 provided further that the regulations shall not be applied to
3 short-term leases (terminable by either party on not more than 30
4 days' notice in writing) of a portion of the operating right-of-way
5 of a railroad corporation as defined by Section 230 of the Public
6 Utilities Code unless a showing is made in individual cases, under
7 substantial evidence, that public policy necessitates the application
8 of the regulations to those short-term leases in individual cases.

9 SEC. 28. Section 66412 of the Government Code, as amended
10 by Section 56 of Chapter 181 of the Statutes of 2012, is amended
11 to read:

12 66412. This division shall be inapplicable to any of the
13 following:

14 (a) The financing or leasing of apartments, offices, stores, or
15 similar space within apartment buildings, industrial buildings,
16 commercial buildings, mobilehome parks, or trailer parks.

17 (b) Mineral, oil, or gas leases.

18 (c) Land dedicated for cemetery purposes under the Health and
19 Safety Code.

20 (d) A lot line adjustment between four or fewer existing
21 adjoining parcels, where the land taken from one parcel is added
22 to an adjoining parcel, and where a greater number of parcels than
23 originally existed is not thereby created, if the lot line adjustment
24 is approved by the local agency, or advisory agency. A local agency
25 or advisory agency shall limit its review and approval to a
26 determination of whether or not the parcels resulting from the lot
27 line adjustment will conform to the local general plan, any
28 applicable specific plan, any applicable coastal plan, and zoning
29 and building ordinances. An advisory agency or local agency shall
30 not impose conditions or exactions on its approval of a lot line
31 adjustment except to conform to the local general plan, any
32 applicable specific plan, any applicable coastal plan, and zoning
33 and building ordinances, to require the prepayment of real property
34 taxes prior to the approval of the lot line adjustment, or to facilitate
35 the relocation of existing utilities, infrastructure, or easements. No
36 tentative map, parcel map, or final map shall be required as a
37 condition to the approval of a lot line adjustment. The lot line
38 adjustment shall be reflected in a deed, which shall be recorded.
39 No record of survey shall be required for a lot line adjustment
40 unless required by Section 8762 of the Business and Professions

1 Code. A local agency shall approve or disapprove a lot line
2 adjustment pursuant to the Permit Streamlining Act (Chapter 4.5
3 (commencing with Section 65920) of Division 1).

4 (e) Boundary line or exchange agreements to which the State
5 Lands Commission or a local agency holding a trust grant of tide
6 and submerged lands is a party.

7 (f) Any separate assessment under Section 2188.7 of the
8 Revenue and Taxation Code.

9 (g) The conversion of a community apartment project, as defined
10 in Section 4105 of the Civil Code, to a condominium, as defined
11 in Section 783 of the Civil Code, but only if all of the following
12 requirements are met:

13 (1) The property was subdivided before January 1, 1982, as
14 evidenced by a recorded deed creating the community apartment
15 project.

16 (2) Subject to compliance with Sections 4290 and 4295 of the
17 Civil Code, all conveyances and other documents necessary to
18 effectuate the conversion shall be executed by the required number
19 of owners in the project as specified in the bylaws or other
20 organizational documents. If the bylaws or other organizational
21 documents do not expressly specify the number of owners
22 necessary to execute the conveyances and other documents, a
23 majority of owners in the project shall be required to execute the
24 conveyances or other documents. Conveyances and other
25 documents executed under the foregoing provisions shall be
26 binding upon and affect the interests of all parties in the project.

27 (3) If subdivision, as defined in Section 66424, of the property
28 occurred after January 1, 1964, both of the following requirements
29 are met:

30 (A) A final or parcel map of that subdivision was approved by
31 the local agency and recorded, with all of the conditions of that
32 map remaining in effect after the conversion.

33 (B) No more than 49 percent of the units in the project were
34 owned by any one person as defined in Section 17, including an
35 incorporator or director of the community apartment project, on
36 January 1, 1982.

37 (4) The local agency certifies that the above requirements were
38 satisfied if the local agency, by ordinance, provides for that
39 certification.

1 (h) The conversion of a stock cooperative, as defined in Section
2 4190 *or* 6566 of the Civil Code, to a condominium, as defined in
3 Section 783 of the Civil Code, but only if all of the following
4 requirements are met:

5 (1) The property was subdivided before January 1, 1982, as
6 evidenced by a recorded deed creating the stock cooperative, an
7 assignment of lease, or issuance of shares to a stockholder.

8 (2) A person renting a unit in a cooperative shall be entitled at
9 the time of conversion to all tenant rights in state or local law,
10 including, but not limited to, rights respecting first refusal, notice,
11 and displacement and relocation benefits.

12 (3) Subject to compliance with Sections 4290 and 4295, *or with*
13 *Sections 6626 and 6628*, of the Civil Code, all conveyances and
14 other documents necessary to effectuate the conversion shall be
15 executed by the required number of owners in the cooperative as
16 specified in the bylaws or other organizational documents. If the
17 bylaws or other organizational documents do not expressly specify
18 the number of owners necessary to execute the conveyances and
19 other documents, a majority of owners in the cooperative shall be
20 required to execute the conveyances or other documents.
21 Conveyances and other documents executed under the foregoing
22 provisions shall be binding upon and affect the interests of all
23 parties in the cooperative.

24 (4) If subdivision, as defined in Section 66424, of the property
25 occurred after January 1, 1980, both of the following requirements
26 are met:

27 (A) A final or parcel map of that subdivision was approved by
28 the local agency and recorded, with all of the conditions of that
29 map remaining in effect after the conversion.

30 (B) No more than 49 percent of the shares in the project were
31 owned by any one person as defined in Section 17, including an
32 incorporator or director of the cooperative, on January 1, 1982.

33 (5) The local agency certifies that the above requirements were
34 satisfied if the local agency, by ordinance, provides for that
35 certification.

36 (i) The leasing of, or the granting of an easement to, a parcel of
37 land, or any portion or portions thereof, in conjunction with the
38 financing, erection, and sale or lease of a wind powered electrical
39 generation device on the land, if the project is subject to
40 discretionary action by the advisory agency or legislative body.

1 (j) The leasing or licensing of a portion of a parcel, or the
2 granting of an easement, use permit, or similar right on a portion
3 of a parcel, to a telephone corporation as defined in Section 234
4 of the Public Utilities Code, exclusively for the placement and
5 operation of cellular radio transmission facilities, including, but
6 not limited to, antennae support structures, microwave dishes,
7 structures to house cellular communications transmission
8 equipment, power sources, and other equipment incidental to the
9 transmission of cellular communications, if the project is subject
10 to discretionary action by the advisory agency or legislative body.

11 (k) Leases of agricultural land for agricultural purposes. As used
12 in this subdivision, “agricultural purposes” means the cultivation
13 of food or fiber, or the grazing or pasturing of livestock.

14 (l) The leasing of, or the granting of an easement to, a parcel of
15 land, or any portion or portions thereof, in conjunction with the
16 financing, erection, and sale or lease of a solar electrical generation
17 device on the land, if the project is subject to review under other
18 local agency ordinances regulating design and improvement or, if
19 the project is subject to other discretionary action by the advisory
20 agency or legislative body.

21 (m) The leasing of, or the granting of an easement to, a parcel
22 of land or any portion or portions of the land in conjunction with
23 a biogas project that uses, as part of its operation, agricultural waste
24 or byproducts from the land where the project is located and
25 reduces overall emissions of greenhouse gases from agricultural
26 operations on the land if the project is subject to review under
27 other local agency ordinances regulating design and improvement
28 or if the project is subject to discretionary action by the advisory
29 agency or legislative body.

30 SEC. 29. Section 66424 of the Government Code, as amended
31 by Section 57 of Chapter 181 of the Statutes of 2012, is amended
32 to read:

33 66424. “Subdivision” means the division, by any subdivider,
34 of any unit or units of improved or unimproved land, or any portion
35 thereof, shown on the latest equalized county assessment roll as a
36 unit or as contiguous units, for the purpose of sale, lease, or
37 financing, whether immediate or future. Property shall be
38 considered as contiguous units, even if it is separated by roads,
39 streets, utility easement, or railroad rights-of-way. “Subdivision”
40 includes a condominium project, as defined in Section 4125 *or*

1 6542 of the Civil Code, a community apartment project, as defined
2 in Section 4105 of the Civil Code, or the conversion of five or
3 more existing dwelling units to a stock cooperative, as defined in
4 of Section 4190 *or* 6566 of the Civil Code.

5 SEC. 30. Section 66427 of the Government Code, as amended
6 by Section 58 of Chapter 181 of the Statutes of 2012, is amended
7 to read:

8 66427. (a) A map of a condominium project, a community
9 apartment project, or of the conversion of five or more existing
10 dwelling units to a stock cooperative project need not show the
11 buildings or the manner in which the buildings or the airspace
12 above the property shown on the map are to be divided, nor shall
13 the governing body have the right to refuse approval of a parcel,
14 tentative, or final map of the project on account of the design or
15 the location of buildings on the property shown on the map that
16 are not violative of local ordinances or on account of the manner
17 in which airspace is to be divided in conveying the condominium.

18 (b) A map need not include a condominium plan or plans, as
19 defined in Section 4120 *or* 6540 of the Civil Code, and the
20 governing body may not refuse approval of a parcel, tentative, or
21 final map of the project on account of the absence of a
22 condominium plan.

23 (c) Fees and lot design requirements shall be computed and
24 imposed with respect to those maps on the basis of parcels or lots
25 of the surface of the land shown thereon as included in the project.

26 (d) Nothing herein shall be deemed to limit the power of the
27 legislative body to regulate the design or location of buildings in
28 a project by or pursuant to local ordinances.

29 (e) If the governing body has approved a parcel map or final
30 map for the establishment of condominiums on property pursuant
31 to the requirements of this division, the separation of a
32 three-dimensional portion or portions of the property from the
33 remainder of the property or the division of that three-dimensional
34 portion or portions into condominiums shall not constitute a further
35 subdivision as defined in Section 66424, provided each of the
36 following conditions has been satisfied:

37 (1) The total number of condominiums established is not
38 increased above the number authorized by the local agency in
39 approving the parcel map or final map.

1 (2) A perpetual estate or an estate for years in the remainder of
2 the property is held by the condominium owners in undivided
3 interests in common, or by an association as defined in Section
4 4100 *or* 6528 of the Civil Code, and the duration of the estate in
5 the remainder of the property is the same as the duration of the
6 estate in the condominiums.

7 (3) The three-dimensional portion or portions of property are
8 described on a condominium plan or plans, as defined in Section
9 4120 *or* 6540 of the Civil Code.

10 SEC. 31. Section 66452.10 of the Government Code, as
11 amended by Section 59 of Chapter 181 of the Statutes of 2012, is
12 amended to read:

13 66452.10. A stock cooperative, as defined in Section 11003.2
14 of the Business and Professions Code, or a community apartment
15 project, as defined in Section 11004 of the Business and
16 Professions Code, shall not be converted to a condominium, as
17 defined in Section 783 of the Civil Code, unless the required
18 number of (1) owners and (2) trustees or beneficiaries of each
19 recorded deed of trust and mortgagees of each recorded mortgage
20 in the cooperative or project, as specified in the bylaws, or other
21 organizational documents, have voted in favor of the conversion.
22 If the bylaws or other organizational documents do not expressly
23 specify the number of votes required to approve the conversion,
24 a majority vote of the (1) owners and (2) trustees or beneficiaries
25 of each recorded deed of trust and mortgagees of each recorded
26 mortgage in the cooperative or project shall be required. Upon
27 approval of the conversion as set forth above and in compliance
28 with Sections 4290 and 4295 *or Sections* 6626 *and* 6628 of the
29 Civil Code, all conveyances and other documents necessary to
30 effectuate the conversion shall be executed by the required number
31 of owners in the cooperative or project as specified in the bylaws
32 or other organizational documents. If the bylaws or other
33 organizational documents do not expressly specify the number of
34 owners necessary to execute the conveyances or other documents,
35 a majority of owners in the cooperative or project shall be required
36 to execute the conveyances and other documents. Conveyances
37 and other documents executed under the foregoing provisions shall
38 be binding upon and affect the interests of all parties in the
39 cooperative or project. The provisions of Section 66499.31 shall
40 not apply to a violation of this section.

1 SEC. 32. Section 66475.2 of the Government Code, as amended
2 by Section 60 of Chapter 181 of the Statutes of 2012, is amended
3 to read:

4 66475.2. (a) There may be imposed by local ordinance a
5 requirement of a dedication or an irrevocable offer of dedication
6 of land within the subdivision for local transit facilities such as
7 bus turnouts, benches, shelters, landing pads, and similar items
8 that directly benefit the residents of a subdivision. The irrevocable
9 offers may be terminated as provided in subdivisions (c) and (d)
10 of Section 66477.2.

11 (b) Only the payment of fees in lieu of the dedication of land
12 may be required in subdivisions that consist of the subdivision of
13 airspace in existing buildings into condominium projects, stock
14 cooperatives, or community apartment projects, as those terms are
15 defined in Sections 4105, 4125, and 4190 *or Sections 6542 and*
16 *6566* of the Civil Code.

17 SEC. 33. Section 13132.7 of the Health and Safety Code, as
18 amended by Section 63 of Chapter 181 of the Statutes of 2012, is
19 amended to read:

20 13132.7. (a) Within a very high fire hazard severity zone
21 designated by the Director of Forestry and Fire Protection pursuant
22 to Article 9 (commencing with Section 4201) of Chapter 1 of Part
23 2 of Division 4 of the Public Resources Code and within a very
24 high hazard severity zone designated by a local agency pursuant
25 to Chapter 6.8 (commencing with Section 51175) of Part 1 of
26 Division 1 of Title 5 of the Government Code, the entire roof
27 covering of every existing structure where more than 50 percent
28 of the total roof area is replaced within any one-year period, every
29 new structure, and any roof covering applied in the alteration,
30 repair, or replacement of the roof of every existing structure, shall
31 be a fire retardant roof covering that is at least class B as defined
32 in the Uniform Building Code, as adopted and amended by the
33 State Building Standards Commission.

34 (b) In all other areas, the entire roof covering of every existing
35 structure where more than 50 percent of the total roof area is
36 replaced within any one-year period, every new structure, and any
37 roof covering applied in the alteration, repair, or replacement of
38 the roof of every existing structure, shall be a fire retardant roof
39 covering that is at least class C as defined in the Uniform Building

1 Code, as adopted and amended by the State Building Standards
2 Commission.

3 (c) Notwithstanding subdivision (b), within state responsibility
4 areas classified by the State Board of Forestry and Fire Protection
5 pursuant to Article 3 (commencing with Section 4125) of Chapter
6 1 of Part 2 of Division 4 of the Public Resources Code, except for
7 those state responsibility areas designated as moderate fire hazard
8 responsibility zones, the entire roof covering of every existing
9 structure where more than 50 percent of the total roof area is
10 replaced within any one-year period, every new structure, and any
11 roof covering applied in the alteration, repair, or replacement of
12 the roof of every existing structure, shall be a fire retardant roof
13 covering that is at least class B as defined in the Uniform Building
14 Code, as adopted and amended by the State Building Standards
15 Commission.

16 (d) (1) Notwithstanding subdivision (a), (b), or (c), within very
17 high fire hazard severity zones designated by the Director of
18 Forestry and Fire Protection pursuant to Article 9 (commencing
19 with Section 4201) of Chapter 1 of Part 2 of Division 4 of the
20 Public Resources Code or by a local agency pursuant to Chapter
21 6.8 (commencing with Section 51175) of Part 1 of Division 1 of
22 Title 5 of the Government Code, the entire roof covering of every
23 existing structure where more than 50 percent of the total roof area
24 is replaced within any one-year period, every new structure, and
25 any roof covering applied in the alteration, repair, or replacement
26 of the roof of every existing structure, shall be a fire retardant roof
27 covering that is at least class A as defined in the Uniform Building
28 Code, as adopted and amended by the State Building Standards
29 Commission.

30 (2) Paragraph (1) does not apply to any jurisdiction containing
31 a very high fire hazard severity zone if the jurisdiction fulfills both
32 of the following requirements:

33 (A) Adopts the model ordinance approved by the State Fire
34 Marshal pursuant to Section 51189 of the Government Code or an
35 ordinance that substantially conforms to the model ordinance of
36 the State Fire Marshal.

37 (B) Transmits, upon adoption, a copy of the ordinance to the
38 State Fire Marshal.

39 (e) The State Building Standards Commission shall incorporate
40 the requirements set forth in subdivisions (a), (b), and (c) by

1 publishing them as an amendment to the California Building
2 Standards Code in accordance with Chapter 4 (commencing with
3 Section 18935) of Part 2.5 of Division 13.

4 (f) Nothing in this section shall limit the authority of a city,
5 county, city and county, or fire protection district in establishing
6 more restrictive requirements, in accordance with current law, than
7 those specified in this section.

8 (g) This section shall not affect the validity of an ordinance,
9 adopted prior to the effective date for the relevant roofing standard
10 specified in subdivisions (a) and (b), by a city, county, city and
11 county, or fire protection district, unless the ordinance mandates
12 a standard that is less stringent than the standards set forth in
13 subdivision (a), in which case the ordinance shall not be valid on
14 or after the effective date for the relevant roofing standard specified
15 in subdivisions (a) and (b).

16 (h) Any qualified historical building or structure as defined in
17 Section 18955 may, on a case-by-case basis, utilize alternative
18 roof constructions as provided by the State Historical Building
19 Code.

20 (i) The installer of the roof covering shall provide certification
21 of the roof covering classification, as provided by the manufacturer
22 or supplier, to the building owner and, when requested, to the
23 agency responsible for enforcement of this part. The installer shall
24 also install the roof covering in accordance with the manufacturer's
25 listing.

26 (j) No wood roof covering materials shall be sold or applied in
27 this state unless both of the following conditions are met:

28 (1) The materials have been approved and listed by the State
29 Fire Marshal as complying with the requirements of this section.

30 (2) The materials have passed at least five years of the 10-year
31 natural weathering test. The 10-year natural weathering test
32 required by this subdivision shall be conducted in accordance with
33 standard 15-2 of the 1994 edition of the Uniform Building Code
34 at a testing facility recognized by the State Fire Marshal.

35 (k) The Insurance Commissioner shall accept the use of fire
36 retardant wood roof covering material that complies with the
37 requirements of this section, used in the partial repair or
38 replacement of nonfire retardant wood roof covering material, as
39 complying with the requirement in Section 2695.9 of Title 10 of

1 the California Code of Regulations relative to matching
2 replacement items in quality, color, and size.

3 (l) No common interest development, as defined in Section 4100
4 *or 6534* of the Civil Code, may require ~~a homeowner~~ *an owner* to
5 install or repair a roof in a manner that is in violation of this
6 section. The governing documents, as defined in Section 4150 *or*
7 *6552* of the Civil Code, of a common interest development within
8 a very high fire severity zone shall allow for at least one type of
9 fire retardant roof covering material that meets the requirements
10 of this section.

11 SEC. 34. Section 19850 of the Health and Safety Code, as
12 amended by Section 64 of Chapter 181 of the Statutes of 2012, is
13 amended to read:

14 19850. The building department of every city or county shall
15 maintain an official copy, which may be on microfilm or other
16 type of photographic copy, of the plans of every building, during
17 the life of the building, for which the department issued a building
18 permit.

19 “Building department” means the department, bureau, or officer
20 charged with the enforcement of laws or ordinances regulating the
21 erection, construction, or alteration of buildings.

22 Except for plans of a common interest development as defined
23 in Section 4100 *or 6534* of the Civil Code, plans need not be filed
24 for:

25 (a) Single or multiple dwellings not more than two stories and
26 basement in height.

27 (b) Garages and other structures appurtenant to buildings
28 described under subdivision (a).

29 (c) Farm or ranch buildings.

30 (d) Any one-story building where the span between bearing
31 walls does not exceed 25 feet. The exemption in this subdivision
32 does not, however, apply to a steel frame or concrete building.

33 SEC. 35. Section 25400.22 of the Health and Safety Code, as
34 amended by Section 65 of Chapter 181 of the Statutes of 2012, is
35 amended to read:

36 25400.22. (a) No later than 10 working days after the date
37 when a local health officer determines that property is contaminated
38 pursuant to subdivision (b) of Section 25400.20, the local health
39 officer shall do all of the following:

(1) Except as provided in paragraph (2), if the property is real property, record with the county recorder a lien on the property. The lien shall specify all of the following:

(A) The name of the agency on whose behalf the lien is imposed.

(B) The date on which the property is determined to be contaminated.

(C) The legal description of the real property and the assessor's parcel number.

(D) The record owner of the property.

(E) The amount of the lien, which shall be the greater of two hundred dollars (\$200) or the costs incurred by the local health officer in compliance with this chapter, including, but not limited to, the cost of inspection performed pursuant to Section 25400.19 and the county recorder's fee.

(2) (A) If the property is a mobilehome or manufactured home specified in paragraph (2) of subdivision (t) of Section 25400.11, amend the permanent record with a restraint on the mobilehome, or manufactured home with the Department of Housing and Community Development, in the form prescribed by that department, providing notice of the determination that the property is contaminated.

(B) If the property is a recreational vehicle specified in paragraph (2) of subdivision (t) of Section 25400.11, perfect by filing with the Department of Motor Vehicles a vehicle license stop on the recreational vehicle in the form prescribed by that department, providing notice of the determination that the property is contaminated.

(C) If the property is a mobilehome or manufactured home, not subject to paragraph (2) of subdivision (t) of Section 25400.11, is located on real property, and is not attached to that real property, the local health officer shall record a lien for the real property with the county recorder, and the Department of Housing and Community Development shall amend the permanent record with a restraint for the mobilehome or manufactured home, in the form and with the contents prescribed by that department.

(3) A lien, restraint, or vehicle license stop issued pursuant to paragraph (2) shall specify all of the following:

(A) The name of the agency on whose behalf the lien, restraint, or vehicle license stop is imposed.

1 (B) The date on which the property is determined to be
2 contaminated.

3 (C) The legal description of the real property and the assessor's
4 parcel number, and the mailing and street address or space number
5 of the manufactured home, mobilehome, or recreational vehicle
6 or the vehicle identification number of the recreational vehicle, if
7 applicable.

8 (D) The registered owner of the mobilehome, manufactured
9 home, or recreational vehicle, if applicable, or the name of the
10 owner of the real property as indicated in the official county
11 records.

12 (E) The amount of the lien, if applicable, which shall be the
13 greater of two hundred dollars (\$200) or the costs incurred by the
14 local health officer in compliance with this chapter, including, but
15 not limited to, the cost of inspection performed pursuant to Section
16 25400.19 and the fee charged by the Department of Housing and
17 Community Development and the Department of Motor Vehicles
18 pursuant to paragraph (2) of subdivision (b).

19 (F) Other information required by the county recorder for the
20 lien, the Department of Housing and Community Development
21 for the restraint, or the Department of Motor Vehicles for the
22 vehicle license stop.

23 (4) Issue to persons specified in subdivisions (d), (e), and (f) an
24 order prohibiting the use or occupancy of the contaminated portions
25 of the property.

26 (b) (1) The county recorder's fees for recording and indexing
27 documents provided for in this section shall be in the amount
28 specified in Article 5 (commencing with Section 27360) of Chapter
29 6 of Part 3 of Title 3 of the Government Code.

30 (2) The Department of Housing and Community Development
31 and the Department of Motor Vehicles may charge a fee to cover
32 its administrative costs for recording and indexing documents
33 provided for in paragraph (2) of subdivision (a).

34 (c) (1) A lien recorded pursuant to subdivision (a) shall have
35 the force, effect, and priority of a judgment lien. The restraint
36 amending the permanent record pursuant to subdivision (a) shall
37 be displayed on any manufactured home or mobilehome title search
38 until the restraint is released. The vehicle license stop shall remain
39 in effect until it is released.

(2) The local health officer shall not authorize the release of a lien, restraint, or vehicle license stop made pursuant to subdivision (a), until one of the following occurs:

(A) The property owner satisfies the real property lien, or the contamination in the mobilehome, manufactured home, or recreational vehicle is abated to the satisfaction of the local health officer consistent with the notice in the restraint, or vehicle license stop and the local health officer issues a release pursuant to Section 25400.27.

(B) For a manufactured home or mobilehome, the local health officer determines that the unit will be destroyed or permanently salvaged. For the purposes of this paragraph, the unit shall not be reregistered after this determination is made unless the local health officer issues a release pursuant to Section 25400.27.

(C) The lien, restraint, or vehicle license stop is extinguished by a senior lien in a foreclosure sale.

(d) Except as otherwise specified in this section, an order issued pursuant to this section shall be served, either personally or by certified mail, return receipt requested, in the following manner:

(1) For real property, to all known occupants of the property and to all persons who have an interest in the property, as contained in the records of the recorder's office of the county in which the property is located.

(2) In the case of a mobilehome or manufactured home, the order shall be served to the legal owner, as defined in Section 18005.8, each junior lienholder, as defined in Section 18005.3, and the registered owner, as defined in Section 18009.5.

(3) In the case of a recreational vehicle, the order shall be served on the legal owner, as defined in Section 370 of the Vehicle Code, and the registered owner, as defined in Section 505 of the Vehicle Code.

(e) If the whereabouts of the person described in subdivision (d) are unknown and cannot be ascertained by the local health officer, in the exercise of reasonable diligence, and the local health officer makes an affidavit to that effect, the local health officer shall serve the order by personal service or by mailing a copy of the order by certified mail, postage prepaid, return receipt requested, as follows:

(1) The order related to real property shall be served to each person at the address appearing on the last equalized tax assessment

1 roll of the county where the property is located, and to all occupants
2 of the affected unit.

3 (2) In the case of a mobilehome or manufactured home, the
4 order shall be served to the legal owner, as defined in Section
5 18005.8, each junior lienholder, as defined in Section 18005.3,
6 and the registered owner, as defined in Section 18009.5, at the
7 address appearing on the permanent record and all occupants of
8 the affected unit at the mobilehome park space.

9 (3) In the case of a recreational vehicle, the order shall be served
10 on the legal owner, as defined in Section 370 of the Vehicle Code,
11 and the registered owner, as defined in Section 505 of the Vehicle
12 Code, at the address appearing on the permanent record and all
13 occupants of the affected vehicle at the mobilehome park or special
14 occupancy park space.

15 (f) (1) The local health officer shall also mail a copy of the
16 order required by this section to the address of each person or party
17 having a recorded right, title, estate, lien, or interest in the property
18 and to the association of a common interest development, as
19 defined in Sections 4080 and 4100 *or Sections 6528 and 6534* of
20 the Civil Code.

21 (2) In addition to the requirements of paragraph (1), if the
22 affected property is a mobilehome, manufactured home, or
23 recreational vehicle, specified in paragraph (2) of subdivision (t)
24 of Section 25400.11, the order issued by the local health officer
25 shall also be served, either personally or by certified mail, return
26 receipt requested, to the owner of the mobilehome park or special
27 occupancy park.

28 (g) The order issued pursuant to this section shall include all of
29 the following information:

30 (1) A description of the property.

31 (2) The parcel identification number, address, or space number,
32 if applicable.

33 (3) The vehicle identification number, if applicable.

34 (4) A description of the local health officer's intended course
35 of action.

36 (5) A specification of the penalties for noncompliance with the
37 order.

38 (6) A prohibition on the use of all or portions of the property
39 that are contaminated.

1 (7) A description of the measures the property owner is required
2 to take to decontaminate the property.

3 (8) An indication of the potential health hazards involved.

4 (9) A statement that a property owner who fails to provide a
5 notice or disclosure that is required by this chapter is subject to a
6 civil penalty of up to five thousand dollars (\$5,000).

7 (h) The local health officer shall provide a copy of the order to
8 the local building or code enforcement agency or other appropriate
9 agency responsible for the enforcement of the State Housing Law
10 (Part 1.5 (commencing with Section 17910) of Division 13).

11 (i) The local health officer shall post the order in a conspicuous
12 place on the property within one working day of the date that the
13 order is issued.

14 SEC. 36. Section 25915.2 of the Health and Safety Code, as
15 amended by Section 66 of Chapter 181 of the Statutes of 2012, is
16 amended to read:

17 25915.2. (a) Notice provided pursuant to this chapter shall be
18 provided in writing to each individual employee, and shall be
19 mailed to other owners designated to receive the notice pursuant
20 to subdivision (a) of Section 25915.5, within 15 days of the first
21 receipt by the owner of information identifying the presence or
22 location of asbestos-containing construction materials in the
23 building. This notice shall be provided annually thereafter. In
24 addition, if new information regarding those items specified in
25 paragraphs (1) to (5), inclusive, of subdivision (a) of Section 25915
26 has been obtained within 90 days after the notice required by this
27 subdivision is provided or any subsequent 90-day period, then a
28 supplemental notice shall be provided within 15 days of the close
29 of that 90-day period.

30 (b) Notice provided pursuant to this chapter shall be provided
31 to new employees within 15 days of commencement of work in
32 the building.

33 (c) Notice provided pursuant to this chapter shall be mailed to
34 any new owner designated to receive the notice pursuant to
35 subdivision (a) of Section 25915.5 within 15 days of the effective
36 date of the agreement under which a person becomes a new owner.

37 (d) Subdivisions (a) and (c) shall not be construed to require
38 owners of a building or part of a building within a residential
39 common interest development to mail written notification to other
40 owners of a building or part of a building within the residential

1 common interest development, if all the following conditions are
2 met:

3 (1) The association conspicuously posts, in each building or
4 part of a building known to contain asbestos-containing materials,
5 a large sign in a prominent location that fully informs persons
6 entering each building or part of a building within the common
7 interest development that the association knows the building
8 contains asbestos-containing materials.

9 The sign shall also inform persons of the location where further
10 information, as required by this chapter, is available about the
11 asbestos-containing materials known to be located in the building.

12 (2) The owners or association disclose, as soon as practicable
13 before the transfer of title of a separate interest in the common
14 interest development, to a transferee the existence of
15 asbestos-containing material in a building or part of a building
16 within the common interest development.

17 Failure to comply with this section shall not invalidate the
18 transfer of title of real property. This paragraph shall only apply
19 to transfers of title of separate interests in the common interest
20 development of which the owners have knowledge. As used in
21 this section, “association” and “common interest development”
22 are defined in Sections 4080 and 4100 *or Sections 6528 and 6534*
23 of the Civil Code.

24 (e) If a person contracting with an owner receives notice
25 pursuant to this chapter, that contractor shall provide a copy of the
26 notice to his or her employees or contractors working within the
27 building.

28 (f) If the asbestos-containing construction material in the
29 building is limited to an area or areas within the building that meet
30 all the following criteria:

31 (1) Are unique and physically defined.

32 (2) Contain asbestos-containing construction materials in
33 structural, mechanical, or building materials which are not
34 replicated throughout the building.

35 (3) Are not connected to other areas through a common
36 ventilation system; then, an owner required to give notice to his
37 or her employees pursuant to subdivision (a) of Section 25915 or
38 25915.1 may provide that notice only to the employees working
39 within or entering that area or those areas of the building meeting
40 the conditions above.

1 (g) If the asbestos-containing construction material in the
2 building is limited to an area or areas within the building that meet
3 all the following criteria:

4 (1) Are accessed only by building maintenance employees or
5 contractors and are not accessed by tenants or employees in the
6 building, other than on an incidental basis.

7 (2) Contain asbestos-containing construction materials in
8 structural, mechanical, or building materials which are not
9 replicated in areas of the building which are accessed by tenants
10 and employees.

11 (3) The owner knows that no asbestos fibers are being released
12 or have the reasonable possibility to be released from the material;
13 then, as to that asbestos-containing construction material, an owner
14 required to give notice to his or her employees pursuant to
15 subdivision (a) of Section 25915 or Section 25915.1 may provide
16 that notice only to its building maintenance employees and
17 contractors who have access to that area or those areas of the
18 building meeting the conditions above.

19 (h) In those areas of a building where the asbestos-containing
20 construction material is composed only of asbestos fibers which
21 are completely encapsulated, if the owner knows that no asbestos
22 fibers are being released or have the reasonable possibility to be
23 released from that material in its present condition and has no
24 knowledge that other asbestos-containing material is present, then
25 an owner required to give notice pursuant to subdivision (a) of
26 Section 25915 shall provide the information required in paragraph
27 (2) of subdivision (a) of Section 25915 and may substitute the
28 following notice for the requirements of paragraphs (1), (3), (4),
29 and (5) of subdivision (a) of Section 25915:

30 (1) The existence of, conclusions from, and a description or list
31 of the contents of, that portion of any survey conducted to
32 determine the existence and location of asbestos-containing
33 construction materials within the building that refers to the
34 asbestos-containing materials described in this subdivision, and
35 information describing when and where the results of the survey
36 are available pursuant to Section 25917.

37 (2) Information to convey that moving, drilling, boring, or
38 otherwise disturbing the asbestos-containing construction material
39 identified may present a health risk and, consequently, should not
40 be attempted by an unqualified employee. The notice shall identify

1 the appropriate person the employee is required to contact if the
2 condition of the asbestos-containing construction material
3 deteriorates.

4 SEC. 37. Section 33050 of the Health and Safety Code, as
5 amended by Section 68 of Chapter 181 of the Statutes of 2012, is
6 amended to read:

7 33050. (a) It is hereby declared to be the policy of the state
8 that in undertaking community redevelopment projects under this
9 part there shall be no discrimination because of any basis listed in
10 subdivision (a) or (d) of Section 12955 of the Government Code,
11 as those bases are defined in Sections 12926, 12926.1, subdivision
12 (m) and paragraph (1) of subdivision (p) of Section 12955, and
13 Section 12955.2 of the Government Code.

14 (b) Notwithstanding subdivision (a), with respect to familial
15 status, subdivision (a) shall not be construed to apply to housing
16 for older persons, as defined in Section 12955.9 of the Government
17 Code. With respect to familial status, nothing in subdivision (a)
18 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
19 and 799.5 of the Civil Code, relating to housing for senior citizens.
20 Subdivision (d) of Section ~~51~~ and 51, Section 4760, and Section
21 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section
22 12955 of the Government Code shall apply to subdivision (a).

23 SEC. 38. Section 33435 of the Health and Safety Code, as
24 amended by Section 69 of Chapter 181 of the Statutes of 2012, is
25 amended to read:

26 33435. (a) Agencies shall obligate lessees and purchasers of
27 real property acquired in redevelopment projects and owners of
28 property improved as a part of a redevelopment project to refrain
29 from restricting the rental, sale, or lease of the property on any
30 basis listed in subdivision (a) or (d) of Section 12955 of the
31 Government Code, as those bases are defined in Sections 12926,
32 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
33 Section 12955, and Section 12955.2 of the Government Code. All
34 deeds, leases, or contracts for the sale, lease, sublease, or other
35 transfer of any land in a redevelopment project shall contain or be
36 subject to the nondiscrimination or nonsegregation clauses hereafter
37 prescribed.

38 (b) Notwithstanding subdivision (a), with respect to familial
39 status, subdivision (a) shall not be construed to apply to housing
40 for older persons, as defined in Section 12955.9 of the Government

Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section ~~51 and 51~~, Section 4760, *and Section 6714* of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (a).

SEC. 39. Section 33436 of the Health and Safety Code, as amended by Section 70 of Chapter 181 of the Statutes of 2012, is amended to read:

33436. Express provisions shall be included in all deeds, leases, and contracts that the agency proposes to enter into with respect to the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of any land in a redevelopment project in substantially the following form:

(a) (1) In deeds the following language shall appear—"The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section ~~51 and 51~~, Section 4760, *and Section 6714* of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(b) (1) In leases the following language shall appear—“The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section ~~51~~ and 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(c) In contracts entered into by the agency relating to the sale, transfer, or leasing of land or any interest therein acquired by the agency within any survey area or redevelopment project the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

SEC. 40. Section 35811 of the Health and Safety Code, as amended by Section 72 of Chapter 181 of the Statutes of 2012, is amended to read:

35811. (a) No financial institution shall discriminate in the availability of, or in the provision of, financial assistance for the

1 purpose of purchasing, constructing, rehabilitating, improving, or
2 refinancing housing accommodations due, in whole or in part, to
3 the consideration of any basis listed in subdivision (a) or (d) of
4 Section 12955 of the Government Code, as those bases are defined
5 in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
6 subdivision (p) of Section 12955, and Section 12955.2 of the
7 Government Code.

8 (b) Notwithstanding subdivision (a), with respect to familial
9 status, subdivision (a) shall not be construed to apply to housing
10 for older persons, as defined in Section 12955.9 of the Government
11 Code. With respect to familial status, nothing in subdivision (a)
12 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
13 and 799.5 of the Civil Code, relating to housing for senior citizens.
14 Subdivision (d) of Section ~~51 and 51~~, Section 4760, *and Section*
15 *6714* of the Civil Code, and subdivisions (n), (o), and (p) of Section
16 12955 of the Government Code shall apply to subdivision (a).

17 SEC. 41. Section 37630 of the Health and Safety Code, as
18 amended by Section 73 of Chapter 181 of the Statutes of 2012, is
19 amended to read:

20 37630. (a) The local agency shall require that any property
21 that is rehabilitated with financing obtained under this part shall
22 be open, upon sale or rental of any portion thereof, to all regardless
23 of any basis listed in subdivision (a) or (d) of Section 12955 of the
24 Government Code, as those bases are defined in Sections 12926,
25 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of
26 Section 12955, and Section 12955.2 of the Government Code. The
27 local agency shall also require that contractors and subcontractors
28 engaged in historical rehabilitation financed under this part provide
29 equal opportunity for employment, without discrimination as to
30 any basis listed in subdivision (a) of Section 12940 of the
31 Government Code, as those bases are defined in Sections 12926
32 and 12926.1 of the Government Code, and except as otherwise
33 provided in Section 12940 of the Government Code. All contracts
34 and subcontracts for historical rehabilitation financed under this
35 part shall be let without discrimination as to any basis listed in
36 subdivision (a) of Section 12940 of the Government Code, as those
37 bases are defined in Sections 12926 and 12926.1 of the
38 Government Code, and except as otherwise provided in Section
39 12940 of the Government Code.

(b) Notwithstanding subdivision (a), with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section ~~51~~ and 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (a).

SEC. 42. Section 50955 of the Health and Safety Code, as amended by Section 75 of Chapter 181 of the Statutes of 2012, is amended to read:

50955. (a) The agency and every housing sponsor shall require that occupancy of housing developments assisted under this part shall be open to all regardless of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, that contractors and subcontractors engaged in the construction of housing developments shall provide an equal opportunity for employment, without discrimination as to any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, and except as otherwise provided in Section 12940 of the Government Code, and that contractors and subcontractors shall submit and receive approval of an affirmative action program prior to the commencement of construction or rehabilitation. Affirmative action requirements respecting apprenticeship shall be consistent with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

All contracts for the management, construction, or rehabilitation of housing developments, and contracts let by housing sponsors, contractors, and subcontractors in the performance of management, construction, or rehabilitation, shall be let without discrimination as to any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code, and pursuant to an affirmative action program, which shall be at not less than the

1 Federal Housing Administration affirmative action standards unless
2 the board makes a specific finding that the particular requirement
3 would be unworkable. The agency shall periodically review
4 implementation of affirmative action programs required by this
5 section.

6 It shall be the policy of the agency and housing sponsors to
7 encourage participation with respect to all projects by minority
8 developers, builders, and entrepreneurs in all levels of construction,
9 planning, financing, and management of housing developments.
10 In areas of minority concentration the agency shall require
11 significant participation of minorities in the sponsorship,
12 construction, planning, financing, and management of housing
13 developments. The agency shall (1) require that, to the greatest
14 extent feasible, opportunities for training and employment arising
15 in connection with the planning, construction, rehabilitation, and
16 operation of housing developments financed pursuant to this part
17 be given to persons of low income residing in the area of that
18 housing, and (2) determine and implement means to secure the
19 participation of small businesses in the performance of contracts
20 for work on housing developments and to develop the capabilities
21 of these small businesses to more efficiently and competently
22 participate in the economic mainstream. In order to achieve this
23 participation by small businesses, the agency may, among other
24 things, waive retention requirements otherwise imposed on
25 contractors or subcontractors by regulation of the agency and may
26 authorize or make advance payments for work to be performed.
27 The agency shall develop relevant selection criteria for the
28 participation of small businesses to ensure that, to the greatest
29 extent feasible, the participants possess the necessary nonfinancial
30 capabilities. The agency may, with respect to these small
31 businesses, waive bond requirements otherwise imposed upon
32 contractors or subcontractors by regulation of the agency, but the
33 agency shall in that case substantially reduce the risk through (1)
34 a pooled-risk bonding program, (2) a bond program in cooperation
35 with other federal or state agencies, or (3) development of a
36 self-insured bonding program with adequate reserves.

37 The agency shall adopt rules and regulations to implement this
38 section.

39 Prior to commitment of a mortgage loan, the agency shall require
40 each housing sponsor, except with respect to mutual self-help

1 housing, to submit an affirmative marketing program that meets
2 standards set forth in regulations of the agency. The agency shall
3 require each housing sponsor to conduct the affirmative marketing
4 program so approved. Additionally, the agency shall supplement
5 the efforts of individual housing sponsors by conducting affirmative
6 marketing programs with respect to housing at the state level.

7 (b) Notwithstanding subdivision (a), with respect to familial
8 status, subdivision (a) shall not be construed to apply to housing
9 for older persons, as defined in Section 12955.9 of the Government
10 Code. With respect to familial status, nothing in subdivision (a)
11 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
12 and 799.5 of the Civil Code, relating to housing for senior citizens.
13 Subdivision (d) of Section ~~51 and 51~~, Section 4760, *and Section*
14 *6714* of the Civil Code, and subdivisions (n), (o), and (p) of Section
15 12955 of the Government Code shall apply to subdivision (a).

16 SEC. 43. Section 51602 of the Health and Safety Code, as
17 amended by Section 76 of Chapter 181 of the Statutes of 2012, is
18 amended to read:

19 51602. (a) The agency shall require that occupancy of housing
20 for which a loan is insured pursuant to this part shall be open to
21 all regardless of any basis listed in subdivision (a) or (d) of Section
22 12955 of the Government Code, as those bases are defined in
23 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
24 subdivision (p) of Section 12955, and Section 12955.2 of the
25 Government Code, and that contractors and subcontractors engaged
26 in the construction or rehabilitation of housing funded by a loan
27 insured pursuant to this part shall provide an equal opportunity for
28 employment without discrimination as to any basis listed in
29 subdivision (a) of Section 12940 of the Government Code, as those
30 bases are defined in Sections 12926 and 12926.1 of the
31 Government Code, and except as otherwise provided in Section
32 12940 of the Government Code.

33 (b) Notwithstanding subdivision (a), with respect to familial
34 status, subdivision (a) shall not be construed to apply to housing
35 for older persons, as defined in Section 12955.9 of the Government
36 Code. With respect to familial status, nothing in subdivision (a)
37 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
38 and 799.5 of the Civil Code, relating to housing for senior citizens.
39 Subdivision (d) of Section ~~51 and 51~~, Section 4760, *and Section*

1 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section
2 12955 of the Government Code shall apply to subdivision (a).

3 (c) A qualified developer shall certify compliance with this
4 section and Section 50955 according to requirements specified by
5 the pertinent criteria of the agency.

6 SEC. 44. Section 116048 of the Health and Safety Code, as
7 amended by Section 77 of Chapter 181 of the Statutes of 2012, is
8 amended to read:

9 116048. (a) On or after January 1, 1987, for public swimming
10 pools in any common interest development, as defined in Section
11 4100 *or* 6534 of the Civil Code, that consists of fewer than 25
12 separate interests, as defined in Section 4185 *or* 6564 of the Civil
13 Code, the person operating each pool open for use shall be required
14 to keep a record of the information required by subdivision (a) of
15 Section 65523 of Title 22 of the California Administrative Code,
16 except that the information shall be recorded at least two times per
17 week and at intervals no greater than four days apart.

18 (b) On or after January 1, 1987, any rule or regulation of the
19 department that is in conflict with subdivision (a) is invalid.

20 SEC. 45. Section 790.031 of the Insurance Code, as amended
21 by Section 78 of Chapter 181 of the Statutes of 2012, is amended
22 to read:

23 790.031. The requirements of subdivision (b) of Section
24 790.034, and Sections 2071.1 and 10082.3 shall apply only to
25 policies of residential property insurance as defined in Section
26 10087, policies and endorsements containing those coverages
27 prescribed in Chapter 8.5 (commencing with Section 10081) of
28 Part 1 of Division 2, policies issued by the California Earthquake
29 Authority pursuant to Chapter 8.6 (commencing with Section
30 10089.5) of Part 1 of Division 2, policies and endorsements that
31 insure against property damage and are issued to common interest
32 developments or to associations managing common interest
33 developments, as those terms are defined in Sections 4080 and
34 4100 *or* Sections 6528 and 6534 of the Civil Code, and to policies
35 issued pursuant to Section 120 that insure against property damage
36 to residential units or contents thereof owned by one or more
37 persons located in this state.

38 SEC. 46. Section 2188.6 of the Revenue and Taxation Code,
39 as amended by Section 79 of Chapter 181 of the Statutes of 2012,
40 is amended to read:

1 2188.6. (a) Unless a request for exemption has been recorded
2 pursuant to subdivision (d), prior to the creation of a condominium
3 as defined in Section 783 of the Civil Code, the county assessor
4 may separately assess each individual unit which is shown on the
5 condominium plan of a proposed condominium project when all
6 of the following documents have been recorded as required by
7 law:

8 (1) A subdivision final map or parcel map, as described in
9 Sections 66434 and 66445, respectively, of the Government Code.

10 (2) A condominium plan, as defined in Section 4120 *or* 6540
11 of the Civil Code.

12 (3) A declaration, as defined Section 4135 *or* 6546 of the Civil
13 Code.

14 (b) The tax due on each individual unit shall constitute a lien
15 solely on that unit.

16 (c) The lien created pursuant to this section shall be a lien on
17 an undivided interest in a portion of real property coupled with a
18 separate interest in space called a unit as described in Section 4125
19 *or* 6542 of the Civil Code.

20 (d) The record owner of the real property may record with the
21 condominium plan a request that the real property be exempt from
22 separate assessment pursuant to this section. If a request for
23 exemption is recorded, separate assessment of a condominium unit
24 shall be made only in accordance with Section 2188.3.

25 (e) This section shall become operative on January 1, 1990, and
26 shall apply to condominium projects for which a condominium
27 plan is recorded after that date.

28 SEC. 47. Section 21107.7 of the Vehicle Code, as amended
29 by Section 80 of Chapter 181 of the Statutes of 2012, is amended
30 to read:

31 21107.7. (a) Any city or county may, by ordinance or
32 resolution, find and declare that there are privately owned and
33 maintained roads as described in the ordinance or resolution within
34 the city or county that are not generally held open for use of the
35 public for purposes of vehicular travel but, by reason of their
36 proximity to or connection with highways, the interests of any
37 residents residing along the roads and the motoring public will
38 best be served by application of the provisions of this code to those
39 roads. No ordinance or resolution shall be enacted unless there is
40 first filed with the city or county a petition requesting it by a

1 majority of the owners of any privately owned and maintained
2 road, or by at least a majority of the board of directors of a common
3 interest development, as defined by Section 4100 *or* 6534 of the
4 Civil Code, that is responsible for maintaining the road, and without
5 a public hearing thereon and 10 days' prior written notice to all
6 owners of the road or all of the owners in the development. Upon
7 enactment of the ordinance or resolution, the provisions of this
8 code shall apply to the privately owned and maintained road if
9 appropriate signs are erected at the entrance to the road of the size,
10 shape, and color as to be readily legible during daylight hours from
11 a distance of 100 feet, to the effect that the road is subject to the
12 provisions of this code. The city or county may impose reasonable
13 conditions and may authorize the owners, or board of directors of
14 the common interest development, to erect traffic signs, signals,
15 markings, and devices which conform to the uniform standards
16 and specifications adopted by the Department of Transportation.

17 (b) The department shall not be required to provide patrol or
18 enforce any provisions of this code on any privately owned and
19 maintained road subjected to the provisions of this code under this
20 section, except those provisions applicable to private property
21 other than by action under this section.

22 (c) As used in this section, "privately owned and maintained
23 roads" includes roads owned and maintained by a city, county, or
24 district that are not dedicated to use by the public or are not
25 generally held open for use of the public for purposes of vehicular
26 travel.

27 SEC. 48. Section 22651 of the Vehicle Code is amended to
28 read:

29 22651. A peace officer, as defined in Chapter 4.5 (commencing
30 with Section 830) of Title 3 of Part 2 of the Penal Code, or a
31 regularly employed and salaried employee, who is engaged in
32 directing traffic or enforcing parking laws and regulations, of a
33 city, county, or jurisdiction of a state agency in which a vehicle is
34 located, may remove a vehicle located within the territorial limits
35 in which the officer or employee may act, under the following
36 circumstances:

37 (a) When a vehicle is left unattended upon a bridge, viaduct, or
38 causeway or in a tube or tunnel where the vehicle constitutes an
39 obstruction to traffic.

1 (b) When a vehicle is parked or left standing upon a highway
2 in a position so as to obstruct the normal movement of traffic or
3 in a condition so as to create a hazard to other traffic upon the
4 highway.

5 (c) When a vehicle is found upon a highway or public land and
6 a report has previously been made that the vehicle is stolen or a
7 complaint has been filed and a warrant thereon is issued charging
8 that the vehicle was embezzled.

9 (d) When a vehicle is illegally parked so as to block the entrance
10 to a private driveway and it is impractical to move the vehicle from
11 in front of the driveway to another point on the highway.

12 (e) When a vehicle is illegally parked so as to prevent access
13 by firefighting equipment to a fire hydrant and it is impracticable
14 to move the vehicle from in front of the fire hydrant to another
15 point on the highway.

16 (f) When a vehicle, except highway maintenance or construction
17 equipment, is stopped, parked, or left standing for more than four
18 hours upon the right-of-way of a freeway that has full control of
19 access and no crossings at grade and the driver, if present, cannot
20 move the vehicle under its own power.

21 (g) When the person in charge of a vehicle upon a highway or
22 public land is, by reason of physical injuries or illness,
23 incapacitated to an extent so as to be unable to provide for its
24 custody or removal.

25 (h) (1) When an officer arrests a person driving or in control
26 of a vehicle for an alleged offense and the officer is, by this code
27 or other law, required or permitted to take, and does take, the
28 person into custody.

29 (2) When an officer serves a notice of an order of suspension
30 or revocation pursuant to Section 13388 or 13389.

31 (i) (1) When a vehicle, other than a rented vehicle, is found
32 upon a highway or public land, or is removed pursuant to this code,
33 and it is known that the vehicle has been issued five or more notices
34 of parking violations to which the owner or person in control of
35 the vehicle has not responded within 21 calendar days of notice
36 of citation issuance or citation issuance or 14 calendar days of the
37 mailing of a notice of delinquent parking violation to the agency
38 responsible for processing notices of parking violations, or the
39 registered owner of the vehicle is known to have been issued five
40 or more notices for failure to pay or failure to appear in court for

1 traffic violations for which a certificate has not been issued by the
2 magistrate or clerk of the court hearing the case showing that the
3 case has been adjudicated or concerning which the registered
4 owner's record has not been cleared pursuant to Chapter 6
5 (commencing with Section 41500) of Division 17, the vehicle may
6 be impounded until that person furnishes to the impounding law
7 enforcement agency all of the following:

8 (A) Evidence of his or her identity.

9 (B) An address within this state at which he or she can be
10 located.

11 (C) Satisfactory evidence that all parking penalties due for the
12 vehicle and all other vehicles registered to the registered owner of
13 the impounded vehicle, and all traffic violations of the registered
14 owner, have been cleared.

15 (2) The requirements in subparagraph (C) of paragraph (1) shall
16 be fully enforced by the impounding law enforcement agency on
17 and after the time that the Department of Motor Vehicles is able
18 to provide access to the necessary records.

19 (3) A notice of parking violation issued for an unlawfully parked
20 vehicle shall be accompanied by a warning that repeated violations
21 may result in the impounding of the vehicle. In lieu of furnishing
22 satisfactory evidence that the full amount of parking penalties or
23 bail has been deposited, that person may demand to be taken
24 without unnecessary delay before a magistrate, for traffic offenses,
25 or a hearing examiner, for parking offenses, within the county in
26 which the offenses charged are alleged to have been committed
27 and who has jurisdiction of the offenses and is nearest or most
28 accessible with reference to the place where the vehicle is
29 impounded. Evidence of current registration shall be produced
30 after a vehicle has been impounded, or, at the discretion of the
31 impounding law enforcement agency, a notice to appear for
32 violation of subdivision (a) of Section 4000 shall be issued to that
33 person.

34 (4) A vehicle shall be released to the legal owner, as defined in
35 Section 370, if the legal owner does all of the following:

36 (A) Pays the cost of towing and storing the vehicle.

37 (B) Submits evidence of payment of fees as provided in Section
38 9561.

39 (C) Completes an affidavit in a form acceptable to the
40 impounding law enforcement agency stating that the vehicle was

1 not in possession of the legal owner at the time of occurrence of
2 the offenses relating to standing or parking. A vehicle released to
3 a legal owner under this subdivision is a repossessed vehicle for
4 purposes of disposition or sale. The impounding agency shall have
5 a lien on any surplus that remains upon sale of the vehicle to which
6 the registered owner is or may be entitled, as security for the full
7 amount of the parking penalties for all notices of parking violations
8 issued for the vehicle and for all local administrative charges
9 imposed pursuant to Section 22850.5. The legal owner shall
10 promptly remit to, and deposit with, the agency responsible for
11 processing notices of parking violations from that surplus, on
12 receipt of that surplus, the full amount of the parking penalties for
13 all notices of parking violations issued for the vehicle and for all
14 local administrative charges imposed pursuant to Section 22850.5.

15 (5) The impounding agency that has a lien on the surplus that
16 remains upon the sale of a vehicle to which a registered owner is
17 entitled pursuant to paragraph (4) has a deficiency claim against
18 the registered owner for the full amount of the parking penalties
19 for all notices of parking violations issued for the vehicle and for
20 all local administrative charges imposed pursuant to Section
21 22850.5, less the amount received from the sale of the vehicle.

22 (j) When a vehicle is found illegally parked and there are no
23 license plates or other evidence of registration displayed, the
24 vehicle may be impounded until the owner or person in control of
25 the vehicle furnishes the impounding law enforcement agency
26 evidence of his or her identity and an address within this state at
27 which he or she can be located.

28 (k) When a vehicle is parked or left standing upon a highway
29 for 72 or more consecutive hours in violation of a local ordinance
30 authorizing removal.

31 (l) When a vehicle is illegally parked on a highway in violation
32 of a local ordinance forbidding standing or parking and the use of
33 a highway, or a portion thereof, is necessary for the cleaning,
34 repair, or construction of the highway, or for the installation of
35 underground utilities, and signs giving notice that the vehicle may
36 be removed are erected or placed at least 24 hours prior to the
37 removal by a local authority pursuant to the ordinance.

38 (m) When the use of the highway, or a portion of the highway,
39 is authorized by a local authority for a purpose other than the
40 normal flow of traffic or for the movement of equipment, articles,

1 or structures of unusual size, and the parking of a vehicle would
2 prohibit or interfere with that use or movement, and signs giving
3 notice that the vehicle may be removed are erected or placed at
4 least 24 hours prior to the removal by a local authority pursuant
5 to the ordinance.

6 (n) Whenever a vehicle is parked or left standing where local
7 authorities, by resolution or ordinance, have prohibited parking
8 and have authorized the removal of vehicles. Except as provided
9 in subdivisions (v) and (w), a vehicle shall not be removed unless
10 signs are posted giving notice of the removal.

11 (o) (1) When a vehicle is found or operated upon a highway,
12 public land, or an offstreet parking facility under the following
13 circumstances:

14 (A) With a registration expiration date in excess of six months
15 before the date it is found or operated on the highway, public lands,
16 or the offstreet parking facility.

17 (B) Displaying in, or upon, the vehicle, a registration card,
18 identification card, temporary receipt, license plate, special plate,
19 registration sticker, device issued pursuant to Section 4853, or
20 permit that was not issued for that vehicle, or is not otherwise
21 lawfully used on that vehicle under this code.

22 (C) Displaying in, or upon, the vehicle, an altered, forged,
23 counterfeit, or falsified registration card, identification card,
24 temporary receipt, license plate, special plate, registration sticker,
25 device issued pursuant to Section 4853, or permit.

26 (2) When a vehicle described in paragraph (1) is occupied, only
27 a peace officer, as defined in Chapter 4.5 (commencing with
28 Section 830) of Title 3 of Part 2 of the Penal Code, may remove
29 the vehicle.

30 (3) For the purposes of this subdivision, the vehicle shall be
31 released under either of the following circumstances:

32 (A) To the registered owner or person in control of the vehicle
33 only after the owner or person furnishes the storing law
34 enforcement agency with proof of current registration and a
35 currently valid driver's license to operate the vehicle.

36 (B) To the legal owner or the legal owner's agency, without
37 payment of any fees, fines, or penalties for parking tickets or
38 registration and without proof of current registration, if the vehicle
39 will only be transported pursuant to the exemption specified in
40 Section 4022 and if the legal owner does all of the following:

1 (i) Pays the cost of towing and storing the vehicle.

2 (ii) Completes an affidavit in a form acceptable to the
3 impounding law enforcement agency stating that the vehicle was
4 not in possession of the legal owner at the time of occurrence of
5 an offense relating to standing or parking. A vehicle released to a
6 legal owner under this subdivision is a repossessed vehicle for
7 purposes of disposition or sale. The impounding agency has a lien
8 on any surplus that remains upon sale of the vehicle to which the
9 registered owner is or may be entitled, as security for the full
10 amount of parking penalties for any notices of parking violations
11 issued for the vehicle and for all local administrative charges
12 imposed pursuant to Section 22850.5. Upon receipt of any surplus,
13 the legal owner shall promptly remit to, and deposit with, the
14 agency responsible for processing notices of parking violations
15 from that surplus, the full amount of the parking penalties for all
16 notices of parking violations issued for the vehicle and for all local
17 administrative charges imposed pursuant to Section 22850.5.

18 (4) The impounding agency that has a lien on the surplus that
19 remains upon the sale of a vehicle to which a registered owner is
20 entitled has a deficiency claim against the registered owner for the
21 full amount of parking penalties for any notices of parking
22 violations issued for the vehicle and for all local administrative
23 charges imposed pursuant to Section 22850.5, less the amount
24 received from the sale of the vehicle.

25 (5) As used in this subdivision, “offstreet parking facility” means
26 an offstreet facility held open for use by the public for parking
27 vehicles and includes a publicly owned facility for offstreet
28 parking, and a privately owned facility for offstreet parking if a
29 fee is not charged for the privilege to park and it is held open for
30 the common public use of retail customers.

31 (p) When the peace officer issues the driver of a vehicle a notice
32 to appear for a violation of Section 12500, 14601, 14601.1,
33 14601.2, 14601.3, 14601.4, 14601.5, or 14604 and the vehicle is
34 not impounded pursuant to Section 22655.5. A vehicle so removed
35 from the highway or public land, or from private property after
36 having been on a highway or public land, shall not be released to
37 the registered owner or his or her agent, except upon presentation
38 of the registered owner’s or his or her agent’s currently valid
39 driver’s license to operate the vehicle and proof of current vehicle

1 registration, to the impounding law enforcement agency, or upon
2 order of a court.

3 (q) When a vehicle is parked for more than 24 hours on a portion
4 of highway that is located within the boundaries of a common
5 interest development, as defined in Section 4100 *or* 6534 of the
6 Civil Code, and signs, as required by paragraph (1) of subdivision
7 (a) of Section 22658 of this code, have been posted on that portion
8 of highway providing notice to drivers that vehicles parked thereon
9 for more than 24 hours will be removed at the owner's expense,
10 pursuant to a resolution or ordinance adopted by the local authority.

11 (r) When a vehicle is illegally parked and blocks the movement
12 of a legally parked vehicle.

13 (s) (1) When a vehicle, except highway maintenance or
14 construction equipment, an authorized emergency vehicle, or a
15 vehicle that is properly permitted or otherwise authorized by the
16 Department of Transportation, is stopped, parked, or left standing
17 for more than eight hours within a roadside rest area or viewpoint.

18 (2) Notwithstanding paragraph (1), when a commercial motor
19 vehicle, as defined in paragraph (1) of subdivision (b) of Section
20 15210, is stopped, parked, or left standing for more than 10 hours
21 within a roadside rest area or viewpoint.

22 (3) For purposes of this subdivision, a roadside rest area or
23 viewpoint is a publicly maintained vehicle parking area, adjacent
24 to a highway, utilized for the convenient, safe stopping of a vehicle
25 to enable motorists to rest or to view the scenery. If two or more
26 roadside rest areas are located on opposite sides of the highway,
27 or upon the center divider, within seven miles of each other, then
28 that combination of rest areas is considered to be the same rest
29 area.

30 (t) When a peace officer issues a notice to appear for a violation
31 of Section 25279.

32 (u) When a peace officer issues a citation for a violation of
33 Section 11700 and the vehicle is being offered for sale.

34 (v) (1) When a vehicle is a mobile billboard advertising display,
35 as defined in Section 395.5, and is parked or left standing in
36 violation of a local resolution or ordinance adopted pursuant to
37 subdivision (m) of Section 21100, if the registered owner of the
38 vehicle was previously issued a warning citation for the same
39 offense, pursuant to paragraph (2).

(2) Notwithstanding subdivision (a) of Section 22507, a city or county, in lieu of posting signs noticing a local ordinance prohibiting mobile billboard advertising displays adopted pursuant to subdivision (m) of Section 21100, may provide notice by issuing a warning citation advising the registered owner of the vehicle that he or she may be subject to penalties upon a subsequent violation of the ordinance, that may include the removal of the vehicle as provided in paragraph (1). A city or county is not required to provide further notice for a subsequent violation prior to the enforcement of penalties for a violation of the ordinance.

(w) (1) When a vehicle is parked or left standing in violation of a local ordinance or resolution adopted pursuant to subdivision (p) of Section 21100, if the registered owner of the vehicle was previously issued a warning citation for the same offense, pursuant to paragraph (2).

(2) Notwithstanding subdivision (a) of Section 22507, a city or county, in lieu of posting signs noticing a local ordinance regulating advertising signs adopted pursuant to subdivision (p) of Section 21100, may provide notice by issuing a warning citation advising the registered owner of the vehicle that he or she may be subject to penalties upon a subsequent violation of the ordinance that may include the removal of the vehicle as provided in paragraph (1). A city or county is not required to provide further notice for a subsequent violation prior to the enforcement of penalties for a violation of the ordinance.

SEC. 49. Section 22651.05 of the Vehicle Code, as amended by Section 82 of Chapter 181 of the Statutes of 2012, is amended to read:

22651.05. (a) A trained volunteer of a state or local law enforcement agency, who is engaged in directing traffic or enforcing parking laws and regulations, of a city, county, or jurisdiction of a state agency in which a vehicle is located, may remove or authorize the removal of a vehicle located within the territorial limits in which an officer or employee of that agency may act, under any of the following circumstances:

(1) When a vehicle is parked or left standing upon a highway for 72 or more consecutive hours in violation of a local ordinance authorizing the removal.

(2) When a vehicle is illegally parked or left standing on a highway in violation of a local ordinance forbidding standing or

1 parking and the use of a highway, or a portion thereof, is necessary
2 for the cleaning, repair, or construction of the highway, or for the
3 installation of underground utilities, and signs giving notice that
4 the vehicle may be removed are erected or placed at least 24 hours
5 prior to the removal by local authorities pursuant to the ordinance.

6 (3) Wherever the use of the highway, or a portion thereof, is
7 authorized by local authorities for a purpose other than the normal
8 flow of traffic or for the movement of equipment, articles, or
9 structures of unusual size, and the parking of a vehicle would
10 prohibit or interfere with that use or movement, and signs giving
11 notice that the vehicle may be removed are erected or placed at
12 least 24 hours prior to the removal by local authorities pursuant
13 to the ordinance.

14 (4) Whenever a vehicle is parked or left standing where local
15 authorities, by resolution or ordinance, have prohibited parking
16 and have authorized the removal of vehicles. A vehicle may not
17 be removed unless signs are posted giving notice of the removal.

18 (5) Whenever a vehicle is parked for more than 24 hours on a
19 portion of highway that is located within the boundaries of a
20 common interest development, as defined in Section 4100 *or* 6534
21 of the Civil Code, and signs, as required by Section 22658.2, have
22 been posted on that portion of highway providing notice to drivers
23 that vehicles parked thereon for more than 24 hours will be
24 removed at the owner's expense, pursuant to a resolution or
25 ordinance adopted by the local authority.

26 (b) The provisions of this chapter that apply to a vehicle
27 removed pursuant to Section 22651 apply to a vehicle removed
28 pursuant to subdivision (a).

29 (c) For purposes of subdivision (a), a "trained volunteer" is a
30 person who, of his or her own free will, provides services, without
31 any financial gain, to a local or state law enforcement agency, and
32 who is duly trained and certified to remove a vehicle by a local or
33 state law enforcement agency.

34 SEC. 50. Section 22658 of the Vehicle Code, as amended by
35 Section 83 of Chapter 181 of the Statutes of 2012, is amended to
36 read:

37 22658. (a) The owner or person in lawful possession of private
38 property, including an association of a common interest
39 development as defined in Sections 4080 and 4100 *or Sections*
40 *6528 and 6534* of the Civil Code, may cause the removal of a

1 vehicle parked on the property to a storage facility that meets the
2 requirements of subdivision (n) under any of the following
3 circumstances:

4 (1) There is displayed, in plain view at all entrances to the
5 property, a sign not less than 17 inches by 22 inches in size, with
6 lettering not less than one inch in height, prohibiting public parking
7 and indicating that vehicles will be removed at the owner's
8 expense, and containing the telephone number of the local traffic
9 law enforcement agency and the name and telephone number of
10 each towing company that is a party to a written general towing
11 authorization agreement with the owner or person in lawful
12 possession of the property. The sign may also indicate that a
13 citation may also be issued for the violation.

14 (2) The vehicle has been issued a notice of parking violation,
15 and 96 hours have elapsed since the issuance of that notice.

16 (3) The vehicle is on private property and lacks an engine,
17 transmission, wheels, tires, doors, windshield, or any other major
18 part or equipment necessary to operate safely on the highways,
19 the owner or person in lawful possession of the private property
20 has notified the local traffic law enforcement agency, and 24 hours
21 have elapsed since that notification.

22 (4) The lot or parcel upon which the vehicle is parked is
23 improved with a single-family dwelling.

24 (b) The tow truck operator removing the vehicle, if the operator
25 knows or is able to ascertain from the property owner, person in
26 lawful possession of the property, or the registration records of
27 the Department of Motor Vehicles the name and address of the
28 registered and legal owner of the vehicle, shall immediately give,
29 or cause to be given, notice in writing to the registered and legal
30 owner of the fact of the removal, the grounds for the removal, and
31 indicate the place to which the vehicle has been removed. If the
32 vehicle is stored in a storage facility, a copy of the notice shall be
33 given to the proprietor of the storage facility. The notice provided
34 for in this section shall include the amount of mileage on the
35 vehicle at the time of removal and the time of the removal from
36 the property. If the tow truck operator does not know and is not
37 able to ascertain the name of the owner or for any other reason is
38 unable to give the notice to the owner as provided in this section,
39 the tow truck operator shall comply with the requirements of
40 subdivision (c) of Section 22853 relating to notice in the same

1 manner as applicable to an officer removing a vehicle from private
2 property.

3 (c) This section does not limit or affect any right or remedy that
4 the owner or person in lawful possession of private property may
5 have by virtue of other provisions of law authorizing the removal
6 of a vehicle parked upon private property.

7 (d) The owner of a vehicle removed from private property
8 pursuant to subdivision (a) may recover for any damage to the
9 vehicle resulting from any intentional or negligent act of a person
10 causing the removal of, or removing, the vehicle.

11 (e) (1) An owner or person in lawful possession of private
12 property, or an association of a common interest development,
13 causing the removal of a vehicle parked on that property is liable
14 for double the storage or towing charges whenever there has been
15 a failure to comply with paragraph (1), (2), or (3) of subdivision
16 (a) or to state the grounds for the removal of the vehicle if requested
17 by the legal or registered owner of the vehicle as required by
18 subdivision (f).

19 (2) A property owner or owner's agent or lessee who causes the
20 removal of a vehicle parked on that property pursuant to the
21 exemption set forth in subparagraph (A) of paragraph (1) of
22 subdivision (l) and fails to comply with that subdivision is guilty
23 of an infraction, punishable by a fine of one thousand dollars
24 (\$1,000).

25 (f) An owner or person in lawful possession of private property,
26 or an association of a common interest development, causing the
27 removal of a vehicle parked on that property shall notify by
28 telephone or, if impractical, by the most expeditious means
29 available, the local traffic law enforcement agency within one hour
30 after authorizing the tow. An owner or person in lawful possession
31 of private property, an association of a common interest
32 development, causing the removal of a vehicle parked on that
33 property, or the tow truck operator who removes the vehicle, shall
34 state the grounds for the removal of the vehicle if requested by the
35 legal or registered owner of that vehicle. A towing company that
36 removes a vehicle from private property in compliance with
37 subdivision (l) is not responsible in a situation relating to the
38 validity of the removal. A towing company that removes the
39 vehicle under this section shall be responsible for the following:

1 (1) Damage to the vehicle in the transit and subsequent storage
2 of the vehicle.

3 (2) The removal of a vehicle other than the vehicle specified by
4 the owner or other person in lawful possession of the private
5 property.

6 (g) (1) (A) Possession of a vehicle under this section shall be
7 deemed to arise when a vehicle is removed from private property
8 and is in transit.

9 (B) Upon the request of the owner of the vehicle or that owner's
10 agent, the towing company or its driver shall immediately and
11 unconditionally release a vehicle that is not yet removed from the
12 private property and in transit.

13 (C) A person failing to comply with subparagraph (B) is guilty
14 of a misdemeanor.

15 (2) If a vehicle is released to a person in compliance with
16 subparagraph (B) of paragraph (1), the vehicle owner or authorized
17 agent shall immediately move that vehicle to a lawful location.

18 (h) A towing company may impose a charge of not more than
19 one-half of the regular towing charge for the towing of a vehicle
20 at the request of the owner, the owner's agent, or the person in
21 lawful possession of the private property pursuant to this section
22 if the owner of the vehicle or the vehicle owner's agent returns to
23 the vehicle after the vehicle is coupled to the tow truck by means
24 of a regular hitch, coupling device, drawbar, portable dolly, or is
25 lifted off the ground by means of a conventional trailer, and before
26 it is removed from the private property. The regular towing charge
27 may only be imposed after the vehicle has been removed from the
28 property and is in transit.

29 (i) (1) (A) A charge for towing or storage, or both, of a vehicle
30 under this section is excessive if the charge exceeds the greater of
31 the following:

32 (i) That which would have been charged for that towing or
33 storage, or both, made at the request of a law enforcement agency
34 under an agreement between a towing company and the law
35 enforcement agency that exercises primary jurisdiction in the city
36 in which is located the private property from which the vehicle
37 was, or was attempted to be, removed, or if the private property
38 is not located within a city, then the law enforcement agency that
39 exercises primary jurisdiction in the county in which the private
40 property is located.

1 (ii) That which would have been charged for that towing or
2 storage, or both, under the rate approved for that towing operator
3 by the Department of the California Highway Patrol for the
4 jurisdiction in which the private property is located and from which
5 the vehicle was, or was attempted to be, removed.

6 (B) A towing operator shall make available for inspection and
7 copying his or her rate approved by the California Highway Patrol,
8 if any, within 24 hours of a request without a warrant to law
9 enforcement, the Attorney General, district attorney, or city
10 attorney.

11 (2) If a vehicle is released within 24 hours from the time the
12 vehicle is brought into the storage facility, regardless of the
13 calendar date, the storage charge shall be for only one day. Not
14 more than one day's storage charge may be required for a vehicle
15 released the same day that it is stored.

16 (3) If a request to release a vehicle is made and the appropriate
17 fees are tendered and documentation establishing that the person
18 requesting release is entitled to possession of the vehicle, or is the
19 owner's insurance representative, is presented within the initial
20 24 hours of storage, and the storage facility fails to comply with
21 the request to release the vehicle or is not open for business during
22 normal business hours, then only one day's storage charge may
23 be required to be paid until after the first business day. A business
24 day is any day in which the lienholder is open for business to the
25 public for at least eight hours. If a request is made more than 24
26 hours after the vehicle is placed in storage, charges may be imposed
27 on a full calendar day basis for each day, or part thereof, that the
28 vehicle is in storage.

29 (j) (1) A person who charges a vehicle owner a towing, service,
30 or storage charge at an excessive rate, as described in subdivision
31 (h) or (i), is civilly liable to the vehicle owner for four times the
32 amount charged.

33 (2) A person who knowingly charges a vehicle owner a towing,
34 service, or storage charge at an excessive rate, as described in
35 subdivision (h) or (i), or who fails to make available his or her rate
36 as required in subparagraph (B) of paragraph (1) of subdivision
37 (i), is guilty of a misdemeanor, punishable by a fine of not more
38 than two thousand five hundred dollars (\$2,500), or by
39 imprisonment in the county jail for not more than three months,
40 or by both that fine and imprisonment.

(k) (1) A person operating or in charge of a storage facility where vehicles are stored pursuant to this section shall accept a valid bank credit card or cash for payment of towing and storage by a registered owner, the legal owner, or the owner's agent claiming the vehicle. A credit card shall be in the name of the person presenting the card. "Credit card" means "credit card" as defined in subdivision (a) of Section 1747.02 of the Civil Code, except, for the purposes of this section, credit card does not include a credit card issued by a retail seller.

(2) A person described in paragraph (1) shall conspicuously display, in that portion of the storage facility office where business is conducted with the public, a notice advising that all valid credit cards and cash are acceptable means of payment.

(3) A person operating or in charge of a storage facility who refuses to accept a valid credit card or who fails to post the required notice under paragraph (2) is guilty of a misdemeanor, punishable by a fine of not more than two thousand five hundred dollars (\$2,500), or by imprisonment in the county jail for not more than three months, or by both that fine and imprisonment.

(4) A person described in paragraph (1) who violates paragraph (1) or (2) is civilly liable to the registered owner of the vehicle or the person who tendered the fees for four times the amount of the towing and storage charges.

(5) A person operating or in charge of the storage facility shall have sufficient moneys on the premises of the primary storage facility during normal business hours to accommodate, and make change in, a reasonable monetary transaction.

(6) Credit charges for towing and storage services shall comply with Section 1748.1 of the Civil Code. Law enforcement agencies may include the costs of providing for payment by credit when making agreements with towing companies as described in subdivision (i).

(l) (1) (A) A towing company shall not remove or commence the removal of a vehicle from private property without first obtaining the written authorization from the property owner or lessee, including an association of a common interest development, or an employee or agent thereof, who shall be present at the time of removal and verify the alleged violation, except that presence and verification is not required if the person authorizing the tow is the property owner, or the owner's agent who is not a tow

1 operator, of a residential rental property of 15 or fewer units that
2 does not have an onsite owner, owner's agent or employee, and
3 the tenant has verified the violation, requested the tow from that
4 tenant's assigned parking space, and provided a signed request or
5 electronic mail, or has called and provides a signed request or
6 electronic mail within 24 hours, to the property owner or owner's
7 agent, which the owner or agent shall provide to the towing
8 company within 48 hours of authorizing the tow. The signed
9 request or electronic mail shall contain the name and address of
10 the tenant, and the date and time the tenant requested the tow. A
11 towing company shall obtain, within 48 hours of receiving the
12 written authorization to tow, a copy of a tenant request required
13 pursuant to this subparagraph. For the purpose of this subparagraph,
14 a person providing the written authorization who is required to be
15 present on the private property at the time of the tow does not have
16 to be physically present at the specified location of where the
17 vehicle to be removed is located on the private property.

18 (B) The written authorization under subparagraph (A) shall
19 include all of the following:

20 (i) The make, model, vehicle identification number, and license
21 plate number of the removed vehicle.

22 (ii) The name, signature, job title, residential or business address,
23 and working telephone number of the person, described in
24 subparagraph (A), authorizing the removal of the vehicle.

25 (iii) The grounds for the removal of the vehicle.

26 (iv) The time when the vehicle was first observed parked at the
27 private property.

28 (v) The time that authorization to tow the vehicle was given.

29 (C) (i) When the vehicle owner or his or her agent claims the
30 vehicle, the towing company prior to payment of a towing or
31 storage charge shall provide a photocopy of the written
32 authorization to the vehicle owner or the agent.

33 (ii) If the vehicle was towed from a residential property, the
34 towing company shall redact the information specified in clause
35 (ii) of subparagraph (B) in the photocopy of the written
36 authorization provided to the vehicle owner or the agent pursuant
37 to clause (i).

38 (iii) The towing company shall also provide to the vehicle owner
39 or the agent a separate notice that provides the telephone number
40 of the appropriate local law enforcement or prosecuting agency

1 by stating “If you believe that you have been wrongfully towed,
2 please contact the local law enforcement or prosecuting agency at
3 [insert appropriate telephone number].” The notice shall be in
4 English and in the most populous language, other than English,
5 that is spoken in the jurisdiction.

6 (D) A towing company shall not remove or commence the
7 removal of a vehicle from private property described in subdivision
8 (a) of Section 22953 unless the towing company has made a good
9 faith inquiry to determine that the owner or the property owner’s
10 agent complied with Section 22953.

11 (E) (i) General authorization to remove or commence removal
12 of a vehicle at the towing company’s discretion shall not be
13 delegated to a towing company or its affiliates except in the case
14 of a vehicle unlawfully parked within 15 feet of a fire hydrant or
15 in a fire lane, or in a manner which interferes with an entrance to,
16 or exit from, the private property.

17 (ii) In those cases in which general authorization is granted to
18 a towing company or its affiliate to undertake the removal or
19 commence the removal of a vehicle that is unlawfully parked within
20 15 feet of a fire hydrant or in a fire lane, or that interferes with an
21 entrance to, or exit from, private property, the towing company
22 and the property owner, or owner’s agent, or person in lawful
23 possession of the private property shall have a written agreement
24 granting that general authorization.

25 (2) If a towing company removes a vehicle under a general
26 authorization described in subparagraph (E) of paragraph (1) and
27 that vehicle is unlawfully parked within 15 feet of a fire hydrant
28 or in a fire lane, or in a manner that interferes with an entrance to,
29 or exit from, the private property, the towing company shall take,
30 prior to the removal of that vehicle, a photograph of the vehicle
31 that clearly indicates that parking violation. Prior to accepting
32 payment, the towing company shall keep one copy of the
33 photograph taken pursuant to this paragraph, and shall present that
34 photograph and provide, without charge, a photocopy to the owner
35 or an agent of the owner, when that person claims the vehicle.

36 (3) A towing company shall maintain the original written
37 authorization, or the general authorization described in
38 subparagraph (E) of paragraph (1) and the photograph of the
39 violation, required pursuant to this section, and any written requests
40 from a tenant to the property owner or owner’s agent required by

1 subparagraph (A) of paragraph (1), for a period of three years and
2 shall make them available for inspection and copying within 24
3 hours of a request without a warrant to law enforcement, the
4 Attorney General, district attorney, or city attorney.

5 (4) A person who violates this subdivision is guilty of a
6 misdemeanor, punishable by a fine of not more than two thousand
7 five hundred dollars (\$2,500), or by imprisonment in the county
8 jail for not more than three months, or by both that fine and
9 imprisonment.

10 (5) A person who violates this subdivision is civilly liable to
11 the owner of the vehicle or his or her agent for four times the
12 amount of the towing and storage charges.

13 (m) (1) A towing company that removes a vehicle from private
14 property under this section shall notify the local law enforcement
15 agency of that tow after the vehicle is removed from the private
16 property and is in transit.

17 (2) A towing company is guilty of a misdemeanor if the towing
18 company fails to provide the notification required under paragraph
19 (1) within 60 minutes after the vehicle is removed from the private
20 property and is in transit or 15 minutes after arriving at the storage
21 facility, whichever time is less.

22 (3) A towing company that does not provide the notification
23 under paragraph (1) within 30 minutes after the vehicle is removed
24 from the private property and is in transit is civilly liable to the
25 registered owner of the vehicle, or the person who tenders the fees,
26 for three times the amount of the towing and storage charges.

27 (4) If notification is impracticable, the times for notification, as
28 required pursuant to paragraphs (2) and (3), shall be tolled for the
29 time period that notification is impracticable. This paragraph is an
30 affirmative defense.

31 (n) A vehicle removed from private property pursuant to this
32 section shall be stored in a facility that meets all of the following
33 requirements:

34 (1) (A) Is located within a 10-mile radius of the property from
35 where the vehicle was removed.

36 (B) The 10-mile radius requirement of subparagraph (A) does
37 not apply if a towing company has prior general written approval
38 from the law enforcement agency that exercises primary
39 jurisdiction in the city in which is located the private property from
40 which the vehicle was removed, or if the private property is not

1 located within a city, then the law enforcement agency that
2 exercises primary jurisdiction in the county in which is located the
3 private property.

4 (2) (A) Remains open during normal business hours and releases
5 vehicles after normal business hours.

6 (B) A gate fee may be charged for releasing a vehicle after
7 normal business hours, weekends, and state holidays. However,
8 the maximum hourly charge for releasing a vehicle after normal
9 business hours shall be one-half of the hourly tow rate charged for
10 initially towing the vehicle, or less.

11 (C) Notwithstanding any other provision of law and for purposes
12 of this paragraph, “normal business hours” are Monday to Friday,
13 inclusive, from 8 a.m. to 5 p.m., inclusive, except state holidays.

14 (3) Has a public pay telephone in the office area that is open
15 and accessible to the public.

16 (o) (1) It is the intent of the Legislature in the adoption of
17 subdivision (k) to assist vehicle owners or their agents by, among
18 other things, allowing payment by credit cards for towing and
19 storage services, thereby expediting the recovery of towed vehicles
20 and concurrently promoting the safety and welfare of the public.

21 (2) It is the intent of the Legislature in the adoption of
22 subdivision (l) to further the safety of the general public by
23 ensuring that a private property owner or lessee has provided his
24 or her authorization for the removal of a vehicle from his or her
25 property, thereby promoting the safety of those persons involved
26 in ordering the removal of the vehicle as well as those persons
27 removing, towing, and storing the vehicle.

28 (3) It is the intent of the Legislature in the adoption of
29 subdivision (g) to promote the safety of the general public by
30 requiring towing companies to unconditionally release a vehicle
31 that is not lawfully in their possession, thereby avoiding the
32 likelihood of dangerous and violent confrontation and physical
33 injury to vehicle owners and towing operators, the stranding of
34 vehicle owners and their passengers at a dangerous time and
35 location, and impeding expedited vehicle recovery, without wasting
36 law enforcement’s limited resources.

37 (p) The remedies, sanctions, restrictions, and procedures
38 provided in this section are not exclusive and are in addition to
39 other remedies, sanctions, restrictions, or procedures that may be

1 provided in other provisions of law, including, but not limited to,
2 those that are provided in Sections 12110 and 34660.

3 (q) A vehicle removed and stored pursuant to this section shall
4 be released by the law enforcement agency, impounding agency,
5 or person in possession of the vehicle, or any person acting on
6 behalf of them, to the legal owner or the legal owner's agent upon
7 presentation of the assignment, as defined in subdivision (b) of
8 Section 7500.1 of the Business and Professions Code; a release
9 from the one responsible governmental agency, only if required
10 by the agency; a government-issued photographic identification
11 card; and any one of the following as determined by the legal
12 owner or the legal owner's agent: a certificate of repossession for
13 the vehicle, a security agreement for the vehicle, or title, whether
14 paper or electronic, showing proof of legal ownership for the
15 vehicle. Any documents presented may be originals, photocopies,
16 or facsimile copies, or may be transmitted electronically. The
17 storage facility shall not require any documents to be notarized.
18 The storage facility may require the agent of the legal owner to
19 produce a photocopy or facsimile copy of its repossession agency
20 license or registration issued pursuant to Chapter 11 (commencing
21 with Section 7500) of Division 3 of the Business and Professions
22 Code, or to demonstrate, to the satisfaction of the storage facility,
23 that the agent is exempt from licensure pursuant to Section 7500.2
24 or 7500.3 of the Business and Professions Code.

25 SEC. 51. Section 13553 of the Water Code, as amended by
26 Section 84 of Chapter 181 of the Statutes of 2012, is amended to
27 read:

28 13553. (a) The Legislature hereby finds and declares that the
29 use of potable domestic water for toilet and urinal flushing in
30 structures is a waste or an unreasonable use of water within the
31 meaning of Section 2 of Article X of the California Constitution
32 if recycled water, for these uses, is available to the user and meets
33 the requirements set forth in Section 13550, as determined by the
34 state board after notice and a hearing.

35 (b) The state board may require a public agency or person
36 subject to this section to furnish any information that may be
37 relevant to making the determination required in subdivision (a).

38 (c) For purposes of this section and Section 13554, "structure"
39 or "structures" means commercial, retail, and office buildings,
40 theaters, auditoriums, condominium projects, schools, hotels,

1 apartments, barracks, dormitories, jails, prisons, and reformatories,
2 and other structures as determined by the State Department of
3 Public Health.

4 (d) Recycled water may be used in condominium projects, as
5 defined in Section 4125 *or* 6542 of the Civil Code, subject to all
6 of the following conditions:

7 (1) Prior to the indoor use of recycled water in any condominium
8 project, the agency delivering the recycled water to the
9 condominium project shall file a report with, and receive written
10 approval of the report from, the State Department of Public Health.
11 The report shall be consistent with the provisions of Title 22 of
12 the California Code of Regulations generally applicable to
13 dual-plumbed structures and shall include all the following:

14 (A) That potable water service to each condominium project
15 will be provided with a backflow protection device approved by
16 the State Department of Public Health to protect the agency's
17 public water system, as defined in Section 116275 of the Health
18 and Safety Code. The backflow protection device approved by the
19 State Department of Public Health shall be inspected and tested
20 annually by a person certified in the inspection of backflow
21 prevention devices.

22 (B) That any plumbing modifications in the condominium unit
23 or any physical alteration of the structure will be done in
24 compliance with state and local plumbing codes.

25 (C) That each condominium project will be tested by the
26 recycled water agency or the responsible local agency at least once
27 every four years to ensure that there are no indications of a possible
28 cross connection between the condominium's potable and
29 nonpotable systems.

30 (D) That recycled water lines will be color coded consistent
31 with current statutes and regulations.

32 (2) The recycled water agency or the responsible local agency
33 shall maintain records of all tests and annual inspections conducted.

34 (3) The condominium's declaration, as defined in Section 4135
35 *or* 6546 of the Civil Code, shall provide that the laws and
36 regulations governing recycled water apply, shall not permit any
37 exceptions to those laws and regulations, shall incorporate the
38 report described in paragraph (1), and shall contain the following
39 statement:
40

1 “NOTICE OF USE OF RECYCLED WATER

2
3 This property is approved by the State Department of Public
4 Health for the use of recycled water for toilet and urinal
5 flushing. This water is not potable, is not suitable for indoor
6 purposes other than toilet and urinal flushing purposes, and
7 requires dual plumbing. Alterations and modifications to the
8 plumbing system require a permit and are prohibited without
9 first consulting with the appropriate local building code
10 enforcement agency and your property management company
11 or ~~homeowners~~^{owners}’ association to ensure that the recycled
12 water is not mixed with the drinking water.”
13

14 (e) The State Department of Public Health may adopt regulations
15 as necessary to assist in the implementation of this section.

16 (f) This section shall only apply to condominium projects that
17 are created, within the meaning of Section 4030 *or* 6580 of the
18 Civil Code, on or after January 1, 2008.

19 (g) This section and Section 13554 do not apply to a pilot
20 program adopted pursuant to Section 13553.1.